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The Ontario Securities Commission

OSC Bulletin

Special Issue

December 1987

Volume 10, Issues 49-51

The Ontario Securities Commission Administers the Securities Act of Ontario (R.S.O. 1980, c. 466) and the Commodity Futures Act of Ontario (R.S.O. 1980, c. 78)

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DECEMBER 1987
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CHAPTER ONE
(NOTICES, NOTICE OF HEARING, PRESS RELEASES)

DECEMBER 4, 1987

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1800, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

Telephone - 597-0681 Telex 06217548

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Late Mail depository on the 18th Floor until 6 p.m.

Dec 7/87 10.00 A.M.	Baywood Financial Investments Limited s.26(2) Mr. J. D. MacKay in attendance for staff. Panel: CS/MAT
Dec 7/87 11.00 A.M.	Calgroup Graphics Corporation Ltd. s.123 Mr. J. Twohig in attendance for staff. Panel: CS/MAT/PLW
Dec 8/87 10.00 A.M.	Discovery International Limited, Argon Financial Consultants Inc., Holly-Mark Distributors Inc. s.123/124 (continuing from December 3, 1987) Messrs. J. Twohig and F. McDonald in attendance for staff. Panel: CS/JWB
Dec 14/87 10.00 A.M.	Southam Inc./Selkirk Communications Limited Southam private agreement acquisition of additional shares of Selkirk. Mr. J. Turner in attendance for staff. Panel: SMB/CS/JWB/MAT?/TER?
Dec 15/87 2.30 P.M.	Comaplex Resources International Ltd. s.123 Messrs. J. Groia and J. B. Walker in attendance for staff. Panel: SMB/PLW
Dec 17/87 10.00 A.M.	Selijdin Neim Sali s.26 Mr. J. Groia and Ms. P. Chapple in attendance for staff. Panel: CS/JWB/MAT/TER
Jan 20/88 10.00 A.M. (or earlier, on reasonable notice)	United Financial Corporation, United Bancorp Limited, United Financial Services Inc., United Financial Securities Corp., Unifinco Mortgage Corporation and Transcanada Venture Capital Fund s.123 (continuing from November 20, 1987) Mr. J. Twohig in attendance for staff. Panel: CS/FHC

Jan 28/88 10.00 A.M.	Hearing and Review - Application for Registration as an Outside Director and Approval as a Shareholder of a Securities Dealer s.8(2) Mr. J. Twohig in attendance for staff. Panel: CS/JWB/MAT
Feb/88 Date to be determined	Walter Claudio Fantin s.8(2) Ms. S. Blake in attendance for staff. Panel: CS/JWB/TER/PLW
Adjourned sine die	S. B. McLaughlin s.124 Mr. T. Lockwood in attendance for OSC Panel: CS/MAT (tentatively)
Adjourned sine die	Crownbridge Industries Inc., Consolidated Grandview Inc., Trackfinder Inc., Sandra Mary Goodchild and Gregory McGroarty s.123 Ms. S. Blake in attendance for staff Panel: CS/ATH
Adjourned sine die to be brought back on 10 days notice, no later than Apr 4/87	International Containers Inc. and The Barrons Leasing Company Limited s.123 Mr. J. Twohig in attendance for staff. Panel: CS/PLW/SLW
Adjourned sine die to be brought back on 5 days notice	Silver Bar Mines Limited s.123 (from November 20, 1987) Ms. S. Blake in attendance for staff. Panel: JWB/PLW

DECEMBER 11, 1987

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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Toronto, Ontario
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Late Mail depository on the 18th Floor until 6 p.m.

Reference: Julie-Luce B. Farrell
Secretary to the Ontario Securities Commission
(416) 593-8212

SCHEDULED HEARINGS

Dec 14/87
9.30 A.M.

Southam Inc./Selkirk Communications Limited
S.100(c)(2)(c)
Mr. J. Turner in attendance for staff.

Panel: SMB/CS/JWB/MAT/TER/FHC

Dec 15/87
2.30 P.M.

Comaplex Resources International Ltd.
s.123
Messrs. J. Groia and J. B. Walker in attendance for staff.

Panel: SMB/PLW

Dec 16/87
11:00 A.M.

Crownbridge Industries Inc., Consolidated Grandview Inc., Trackfinder Inc., Sandra Mary Goodchild and Gregory McGroarty
s.123
Ms. S. Blake in attendance for staff

Panel: SMB/JWB/FHC

Dec 18/87
10.00 A.M.

Baywood Financial Investments Limited
s.26(2) (continuing from December 7, 1987)
Mr. J. D. MacKay in attendance for staff.

Panel: CS/MAT

Jan 8/88
10.00 A.M.

Selijdin Neim Sali
s.26
Mr. J. Groia and Ms. P. Chapple in attendance for staff.

Panel: CS/MAT/PLW

Jan 14/88
11:00 A.M.

Malouf & Moss Lawson
S.26/S.124
Ms. P. Chapple in attendance for staff.

Panel: CS?/PLW/TER

Jan 20/88
10.00 A.M.
(or earlier, on reasonable notice)

United Financial Corporation, United Bancorp Limited, United Financial Services Inc., United Financial Securities Corp., Unifinco Mortgage Corporation and Transcanada Venture Capital Fund
s.123 (continuing from November 20, 1987)
Mr. J. Twohig in attendance for staff.

Panel: CS/FHC

Feb/88 Date to be determined	Walter Claudio Fantin s.8(2) Ms. S. Blake in attendance for staff. Panel: CS/JWB/TER/PLW
Adjourned sine die	S. B. McLaughlin s.124 Mr. T. Lockwood in attendance for OSC Panel: CS/MAT (tentatively)
Adjourned sine die to be brought back on 10 days notice, no later than Apr 4/88	International Containers Inc. and The Barrons Leasing Company Limited s.123 Mr. J. Twohig in attendance for staff. Panel: CS/PLW/SLW
Adjourned sine die to be brought back on 5 days notice	Silver Bar Mines Limited s.123 (from November 20, 1987) Ms. S. Blake in attendance for staff. Panel: JWB/PLW

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~~416/963~~ 593 6012

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466

AND

IN THE MATTER OF
ALEXIS LIMITED PARTNERSHIP

NOTICE OF HEARING
(Section 123 and 124)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 123 and 124 of the Securities Act, R.S.O. 1980, c. 466 as amended (the "Act") at the offices of the Commission on the 18th floor, 20 Queen Street West, Toronto, Ontario on Tuesday, the 29th day of December, 1987 at 3:00 o'clock in the afternoon or so soon thereafter as the hearing can be held;

TO CONSIDER:

a. pursuant to section 124 whether in the opinion of the Commission, it is in the public interest to order that the exemption from section 52 of the Act contained in clause 71(1)(d) of the Act does not apply to the Alexis Limited Partnership (the "Partnership") in connection with its proposed issuance of units (the "Units") of interest in the Partnership by way of a private placement (the "Private Placement");

b. whether it would be in the public interest to order under section 123 of the Act, subject to such terms and conditions as the Commission may impose, that trading in Units in connection with the Private Placement shall cease; and

c. such further and other order as may appear appropriate;

BY REASON OF THE FOLLOWING:

1. The Partnership is a limited partnership under the British Columbia Partnership Act and

2. Pursuant to the proposed Private Placement, each purchaser of Units in Ontario (the "Investor") will pay to the Partnership a minimum aggregate sum of $150,000. Of this amount, 45% will be contributed to the Partership in cash by the Investor, and 55% will be contributed in cash to the Partnership by a third party lender (the "Lender") pursuant to a loan agreement (the "Loan Agreement") between the Investor and the Lender;

3. The terms of the Loan Agreement provide that the Investor shall pledge his Units to the Lender as security for repayment of the Loan and that the recourse of the Lender shall be limited to realizing on the security of the Units;

4. The Lender under the Loan Agreement is Alexis Holdings Limited, a company subsisting under the laws of Guernsey and a party which appears to be related to the Partnership;

5. Pursuant to the Loan Agreement and the terms of a separate option agreement (the "Option Agreement") among the Partnership and the Lender, the Investor has been granted, subject to certain conditions, an option to require the Lender to purchase some or all of his Units;

6. The prospectus exemption in clause 71(1)(d) of the Act, as amended by section 19e of the Regulation under the Act and as stipulated in Commission Policy 6.1 (the "Policy Statement"), is available only where a purchaser of securities pays cash or assumes liabilities having a value of $150,000 on a present value basis. Where the purchaser's commitment will not be immediately satisfied by a cash payment from the purchaser and, the purchaser is not certain, or virtually certain, to be called upon to make payment the exemption is not available;

7. The provisions of the Loan Agreement and the Option Agreement do not satisfy the requirements of the Act and the Policy Statement; and

8. Such further and other allegations as Counsel may advise and the Commission permit.

AND TAKE NOTICE that any party to the proceeding may be represented by counsel of his choice;

AND TAKE NOTICE that upon failure of any person to attend at the time and place aforesaid that the hearing may proceed in the absence of such person and no further notice of the proceedings will be given to such person.

DATED at Toronto this 23rd day of December, 1987.

Julie-Luce B. Farrell

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF CROWNBRIDGE INDUSTRIES INC.

NOTICE OF HEARING
(Sections 123, 124 and 140)

WHEREAS by orders dated April 16, 1987, and April 29, 1987, the Ontario Securities Commission (the "Commission") ordered that all trading in the securities of Crownbridge Industries Inc. ("Crownbridge") cease (the "Cease Trade Order");

TAKE NOTICE that the Commission will hold a hearing pursuant to sections 123, 124 and 140 of the Securities Act, R.S.O. 1980, c.466, as amended (the "Act"), at the offices of the Commission on the 18th Floor, 20 Queen Street West, Toronto, Ontario, on Thursday, the 17th day of December, 1987, at 10:00 o'clock in the forenoon or so soon after that time as the hearing can be held;

TO CONSIDER:

(a) whether it would not be prejudicial to the public interest to make an order under section 140 of the Act varying the Cease Trade Order to permit trading in the securities of Crownbridge, other than securities owned directly or indirectly by Gordon Cooper, Jennifer Cooper, Richard Cooper, Sandra Goodchild, Gregory McGroarty, Gordon Petursson, Lewis Taylor, The Blue Chip Market Advisor Inc., Trackfinder Inc. and their nominees and associates and, pursuant to section 123, to continue the order in all other respects;

(b) pursuant to section 124(1) of the Act, whether, in the opinion of the Commission, it is in the public interest to order, subject to such terms and conditions as it may impose, that any or all of the exemptions contained in sections 34, 71, and 72 of the Act do not apply to Gordon Cooper, Jennifer Cooper, Richard Cooper, Sandra

Goodchild, Gregory McGroarty, Gordon Petursson, Lewis Taylor, The Blue Chip Market Advisor Inc., Trackfinder Inc. and their nominees with respect to securities of Crownbridge; and

(c) such further and other order as may be appropriate;

BY REASON OF THE FOLLOWING:

1. The shares of Crownbridge have been cease traded since April 16, 1987, in part, because of a lack of information about Crownbridge;

2. Crownbridge has now undertaken:

   (a) to make full disclosure of its business and financial affairs to the Commission, the Alberta Stock Exchange (the "Exchange"), the Alberta Securities Commission (the "A.S.C.") and its shareholders;

   (b) to file with the Commission, the A.S.C. and the Exchange and to distribute to shareholders audited financial statements for the ten-month period ended July 31, 1987;

   (c) to be directed by a board of directors independent of persons unacceptable to the Commission; and

   (d) to comply with the Act and all restrictions placed upon Crownbridge as a term of lifting the Cease Trade Order;

3. Interinvest Finanz A.G., the majority shareholder of Crownbridge, has undertaken to place its Crownbridge shares in escrow in Ontario, upon such terms and conditions as are acceptable to the Commission, the A.S.C., and the Exchange; and

4. Gordon Cooper, Jennifer Cooper, Richard Cooper, Sandra Goodchild, Gregory McGroarty, Gordon Petursson, Lewis Taylor, The Blue Chip Market Advisor Inc., Trackfinder Inc. and their nominees and associates are persons whose activities in respect of Crownbridge are under review by staff of the Commission. They are, therefore, at the present time, not acceptable to the Commission to act as directors of Crownbridge nor should they be permitted to trade their Crownbridge shares pending the outcome of the review.

AND TAKE NOTICE that any party to the proceeding may be represented by counsel of his choice at the hearing if he attends or submits evidence thereat;

AND TAKE NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in his absence and he is not entitled to any further notice in the proceedings.

DATED at Toronto, this 15th day of December, 1987.

Julie-Luce Farrell

Julie-Luce B. Farrell
Secretary to the Commission

TO: Crownbridge Industries Inc.

AND TO: Gordon Cooper
Jennifer Cooper
Richard Cooper
Sandra Goodchild
Gregory McGroarty
Gordon Petursson
Lewis Taylor
The Blue Chip Market Adviser, Inc.
Trackfinder Inc.

AND TO: Interinvest Finanz A.G.

Ontario

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF NADIR SHAHBAZ ZULQUERNAIN

NOTICE OF HEARING
(Section 26)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 26 of the Securities Act, R.S.O. 1980, Chapter 466, as amended (the "Act") at its offices on the 18th Floor, 20 Queen Street West, Toronto, Ontario on Friday the 29th day of January, 1988 at 10:00 o'clock in the forenoon or so soon after that time as the hearing can be held;

TO CONSIDER:

(a) pursuant to section 26 of the Act, whether in its opinion it is in the public interest to suspend, cancel, restrict or impose terms and conditions upon the registration of or reprimand the registrant Nadir Shahbaz Zulquernain ("Zulquernain");

UPON SUCH HEARING the Commission shall consider whether, in all of the circumstances set out below and such other grounds as counsel may advise and the Commission may permit, Zulquernain discharged the suitability requirement in arranging for the leveraged purchase of mutual funds for his client.

AND TAKE NOTICE that any party to the proceedings may be represented by counsel of his choice at the hearing if the party attends or submits evidence thereat;

AND TAKE NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the party's absence and that party is not entitled to any further notice in the proceedings.

DATED at Toronto this 10th day of December, 1987.

Julie-Luce B. Farrell
Secretary to the Commission

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF COMAPLEX RESOURCES INTERNATIONAL LTD.

AND

IN THE MATTER OF SCHAFFHAUSER KANTONALBANK, MONTENERO INTERNATIONAL COMPANY, SANLOS TRADING INC. AND ULRICH CHMIEL

NOTICE OF HEARING
(Sections 100c, 123, 124)

WHEREAS on the 1st day of December, 1987, the Ontario Securities Commission (the "Commission") ordered, pursuant to subsection 123(3) of the Securities Act, R.S.O. 1980, Chapter 466, as amended (the "Act"), that all trading in securities of Comaplex Resources International Ltd. ("Comaplex") cease forthwith for a period of fifteen days from the date of the order (the "Temporary Order");

TAKE NOTICE that the Commission will hold a hearing at its offices on the 18th Floor, 20 Queen Street West, Toronto, Ontario commencing on Tuesday, December 15, 1987 at 2:30 o'clock in the afternoon or so soon thereafter as the hearing can be held;

TO CONSIDER:

(a) whether to extend the Temporary Order pursuant to subsection 123(3) of the Act until this hearing is concluded or sufficient information is provided to the Commission;

(b) whether it would be in the public interest to make an order under section 123(1) of the Act, subject to such terms and conditions as the Commission may impose, that all trading in securities of Comaplex cease until there has been full, true and plain disclosure of all facts relating to the securities of Comaplex and the Commission is satisfied that there has been compliance with the provisions of the Act;

(c) whether it would be in the public interest to cease trade the shares held directly or indirectly by Schaffhauser Kantonalbank ("Schaffhauser"), Montenero International Company ("Montenero"), Sanlos Trading Inc. ("Sanlos"), and Ulrich Chmiel ("Chmiel"), or alternatively to remove the trading exemptions of these parties pursuant to section 124 of the Act, pending their compliance with the Act;

(d) whether to direct, pursuant to section 100c(1)(c) of the Act, that Schaffhauser, Montenero, Sanlos, and Chmiel comply with the requirements of Part XIX of the Act and the Regulations thereto; and

(e) such further and other order as may seem appropriate.

BY REASON OF THE FOLLOWING:

1. Comaplex is a reporting issuer in Ontario whose common shares are listed and posted for trading on The Toronto Stock Exchange. The issued and outstanding capital in Comaplex consists of 5,606,156 common shares.

2. Schaffhauser is a Bank incorporated and registered under the laws of Switzerland. On November 29, 1987 Schaffhauser advised the staff of the Commission that:

   (i) it had acquired for its own account approximately 1.95 million common shares of Comaplex;

   (ii) it had also acquired approximately 2.3 million common shares for approximately 250 accounts that it either manages or has discretion in respect of;

   (iii) included in these 4.25 million common shares of Comaplex acquired by Schaffhauser are an undisclosed number of common shares held for the account of Montenero;

   (iv) the 4.25 million common shares acquired by Schaffhauser represent approximately 75% of the issued and outstanding common shares in Comaplex;

   (v) a senior Schaffhauser trading official, F. Spengler, acquired the common shares in Comaplex on behalf of Schaffhauser; Spengler appears to be an associate of, or otherwise controlled by, Chmiel;

   (vi) the 1.95 million common shares in Comaplex acquired by Schaffhauser for its own account constitute an illegal investment under the laws of Switzerland and must, as a result, be disposed of.

3. Montenero has advised the staff of the Commission that:

   (i) it holds approximately 1.0 million common shares in Comaplex;

   (ii) Chmiel owns 45% of its issued and outstanding shares and is the President and a director of Montenero;

   (iii) Chmiel is also the President and a director of Sanlos which owns approximately .44 million common shares in Comaplex;

   (iv) the 1.44 million common shares in Comaplex owned by Montenero and Sanlos represent approximately 25% of the issued and outstanding common shares in Comaplex;

   (v) Chmiel denies that any of the 4.25 million common shares of Comaplex acquired by Schaffhauser were purchased on his instructions.

4. The available "public float" is unverifiable at present but appears to be less than 350,000 common shares.

5. Until December 3, 1987, Chmiel was a director of Comaplex.

6. The common shares in Comaplex appear to have been acquired by Schaffhauser, Montenero, Sanlos and Chmiel without compliance with the take-over bid provisions contained in Part XIX of the Act.

7. Schaffhauser, Chmiel and Montenero appear to have failed to comply with insider reporting requirements set forth in section 102 of the Act.

8. Chmiel and Montenero appear to have disposed of common shares in Comaplex without complying with section 71(7) of the Act and section 19c of the Regulation to the Act.

9. Such further and other allegations as counsel may advise.

AND TAKE NOTICE that any party to the proceedings may be represented by counsel of his choice at the hearing if he attends or submits evidence thereafter;

AND TAKE NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in his absence and he is not entitled to any further notice in the proceedings.

DATED at Toronto, this 9th day of December, 1987.

Julie-Luce Farrell

Julie-Luce B. Farrell
Secretary to the Commission

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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IN THE MATTER OF THE SECURITIES ACT R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF SELKIRK COMMUNICATIONS LIMITED, SOUTHAM INC., CABLECASTING LIMITED, THE EATON SUPERANNUATION PLAN, THE EATON RETIREMENT ANNUITY PLAN, VIKING CANADIAN FUND, AND VIKING INTERNATIONAL FUND

NOTICE OF HEARING
(Section 100c, Section 123)

TAKE NOTICE that the Ontario Securities Commission (the "Commission) will hold a hearing pursuant to sections 100c and 123 of the Securities Act, R.S.O. 1980, chapter 466 as amended, (the "Act") at the offices of the Commission on the 18th floor, 20 Queen Street West, Toronto, Ontario on Monday, the 14th day of December, 1987 at 9:30 o'clock in the forenoon or so soon thereafter as the hearing can be held;

TO CONSIDER:

i. an application made on behalf of Southam Inc. ("Southam") pursuant to section 100c(2) of the Act for an order exempting Southam from compliance with sections 94 to 99 of the Act in respect of Southam's proposed acquisition of certain Class A non-voting shares and warrants to purchase Class A non-voting shares of Selkirk Communications Limited ("Selkirk") owned by Cablecasting Limited ("Cablecasting") and by The Eaton Superannuation Fund, The Eaton Retirement Annuity Plan, Viking Canadian Fund and Viking International Fund (the "Eaton Funds") (the "transaction");

ii. whether or not an exemption from the requirements of sections 94 to 99 of the Act

contained in section 92(1)(c) of the Act, is for any reason, unavailable to Southam in connection with the transaction;

iii. whether the Commission should make an order under s. 100c(1)(c) restraining Southam, Cablecasting and/or the Eaton Funds from completing the transaction;

iv. whether it would be in the public interest to order under s. 123 of the Act, subject to such terms and conditions as the Commission may impose, that trading in connection with the transaction shall cease;

v. such further and other order as may appear appropriate.

BY REASON OF THE FOLLOWING:

1. On November 4, 1987, Southam Inc. made an application to the Commission under clause 100c(2)(c) of the Act for an order exempting Southam from compliance with sections 94 to 99 of the Act. That application was based upon the following facts:

   a. Southam is a reporting issuer under the Act. Its shares are listed on the Toronto, Montreal and Vancouver Stock Exchanges;

   b. Selkirk is also a reporting issuer under the Act. As at October 31, 1987, 10,804,975 Class A non-voting shares and 2,000 Class B voting shares of Selkirk were issued and outstanding. In addition, Selkirk had outstanding 1,192,545 warrants to purchase Class A shares;

   c. Prior to November, 1986, Southam held 4,610,760 Class A shares. During the months of February to May, 1987, Southam acquired an additional 508,300 shares. As a result, Southam now holds approximately 42% of the issued and oustanding Class A shares of Selkirk on a fully diluted basis. It also holds 400 Class B shares representing 20% of the outstanding Class B shares and 448,000 warrants of Selkirk;

   d. On October 15, 1987, Rogers Communications Inc. ("Rogers") announced an intention to make an offer to acquire all the Class A shares of Selkirk at a

price of $35.00 per share. Rogers' expression of interest was conditional on all Class B shares being tendered to Rogers, the approval of the Selkirk board of directors and appropriate regulatory approval. After the close of trading on October 22, 1987 Southam announced that it would not tender its shares to the Rogers proposal and a Rogers bid was never made;

e. On November 3, 1987, Southam and Cablecasting entered into an agreement to sell to Southam Cablecasting's 629,500 Class A shares of Selkirk representing approximately 6.8% of the outstanding Class A shares and 30,800 warrants. The price to be paid by Southam under the agreement was $26.50 per Class A share and $9.75 per warrant;

f. The agreement also provided that Southam would provide to Cablecasting certain upside price protection which, inter alia, provided that if Southam were to sell the Selkirk shares acquired from Cablecasting within 18 months from the date of the agreement, at a price greater than that paid by Southam to Cablecasting under the agreement, Southam would pay Cablecasting an additional amount equal to the excess it received on the sale of the shares, less certain deductions;

g. The opinion of Burns Fry Limited, acting on behalf of Southam Inc., was that it was unable to value the price protection provision because of the contingent nature of that payment.

2. On November 9, 1987 Southam made a second and similar application in respect of the purchase of certain Class A non-voting shares of Selkirk held by the Eaton Funds. That application was based on the following additional facts;

a. On November 6, 1987, agreements on substantially the same terms and conditions as the Southam/Cablecasting agreements were entered into by Southam with each of the members of the Eaton Funds;

b. In those agreements, the price to be paid by Southam for the Eaton Funds holdings of Selkirk shares (375,261

Class A shares or approximately 3.5% of the outstanding Class A shares) was $26.50 per share;

c. The Eaton Funds were provided with upside price protection on substantially the same terms as that provided to Cablecasting.

3. The trading range for the Class A shares during October and November, 1987 was as follows:

Oct. 1-14	$25.00 - $27.40	
Oct. 15-22	29.00 - 34.00	(Rogers' Bid Period)
Oct. 23-30	19.40 - 22.00	
Nov. 2-6	21.00 - 22.00	

4. The trading range during October and November, 1987 for the warrants was as follows:

Oct. 1-14	$ 8.20 - $ 9.20	
Oct. 15-22	12.00 - 17.20	(Rogers' Bid Period)
Oct. 23-30	3.50 - 9.00	
Nov. 2-6	4.25 - 5.00	

5. The market price of the Class A shares and the warrants for purposes of clause 92(1)(c) of the Act calculated for the twenty day period preceding the relevant private agreements is as follows:

A. **Cablecasting Class A Shares calculated as at November 2, 1987**

Market Price	115%	Excluding Trading Prices During Rogers Bid Period	115%
$26.05	$29.95	$23.62	$27.16

Cablecasting Warrants

Market Price	115%	Excluding Trading Prices During Rogers Bid Period	115%
$9.39	$10.80	$6.99	$8.04

B. **Eaton Funds Class A Shares calculated as at November 4, 1987**

Market Price	115%	Excluding Trading Prices During Rogers Bid Period	115%
$25.57	$29.40	$22.92	$26.36

6. The appropriate method of calculation of market prices in accordance with ss. 164(1) of the Regulation to the Act is to exclude the period from October 15-22 while the market price was affected by the Rogers bid. In addition, it would be contrary to the public interest to allow Southam, Cablecasting and the Eaton Funds to benefit from the higher prices in effect during that period.

7. It would be contrary to the public interest and in breach of the requirements of Part XIX of the Act to allow a transaction to proceed which could result in consideration being paid to selling shareholders which is in excess of 115% of the market price as calculated for purposes of clause 92(1)(c) of the Act.

8. Such further and other allegations as Counsel may advise and the Commission permit.

AND TAKE NOTICE that any party to the proceeding may be represented by counsel of his choice.

AND TAKE NOTICE that upon failure of any person to attend at the time and place aforesaid that the hearing may proceed in the absence of such person and no further notice of the proceedings will be given to such person.

DATED at Toronto this 9th day of December, 1987.

Julie-Luce B. Farrell

Ontario

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

416/963-

Suite 1800, Box/C.P. 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

Telex 06217548
TDX 76

IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF AN APPLICATION FOR REGISTRATION
AS AN OUTSIDE DIRECTOR AND APPROVAL AS A
SHAREHOLDER OF A SECURITIES DEALER

NOTICE OF HEARING AND REVIEW
(Section 8(2))

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing and review pursuant to section 8(2) of the Securities Act, R.S.O. 1980, Chapter 466, as amended (the "Act") at the offices of the Commission on the 18th Floor, 20 Queen Street West, Toronto, Ontario on Thursday, the 28th day of January, 1988, at 10:00 o'clock in the forenoon or so soon after that time as the hearing can be held;

TO CONSIDER:

(a) a request by the Applicant that the hearing be conducted in camera;

(b) a request by the Applicant for a hearing in review of a decision by the Director dated the 18th day of September, 1987 which refused the Applicant registration as an outside director and approval as a shareholder of a securities dealer;

AND TAKE NOTICE that the Commission will hear and review all of the evidence tendered at the hearing before the Director and will consider any new evidence which counsel may advise and the Commission may permit;

AND TAKE NOTICE that any party to the proceedings may be represented by counsel of his choice at the hearing if he attends or submits evidence thereat;

AND TAKE NOTICE that upon failure of any party to attend at the time and place aforesaid the hearing may proceed in his absence and he is not entitled to any further notice in the proceedings.

DATED at Toronto, this 27th day of November, 1987.

Julie-Luce B. Farrell
Secretary to the Commission

Ontario

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

416/963-

Suite 1800, Box/C.P. 55
20 Queen Street West
Toronto, Ontario
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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF CALGROUP GRAPHICS CORPORATION LIMITED

NOTICE OF HEARING
(Section 123)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 123 of the Securities Act, R.S.O. 1980, Chapter 466, as amended (the "Act") at the offices of the Commission on the 18th Floor, 20 Queen Street West, Toronto, Ontario, on Monday, the 7th day of December, 1987 at 10:00 o'clock in the forenoon or so soon after as the hearing can be held;

TO CONSIDER:

i) whether it would be in the public interest to make an order under section 123(1) of the Act, subject to such terms and conditions as the Commission may impose, that all trading in the securities of Calgroup Graphics Corporation Limited ("Calgroup") cease for such period as may be specified in the order,

ii) to consider such further and other order as may be appropriate,

BY REASON OF THE FOLLOWING ALLEGATIONS:

i) On or about September 4, 1987, Calgroup issued a press release announcing that "financing for two feature films had been approved that day, which financing represented gross revenues to Calgroup of $18,000,000 (U.S.)." Additionally, the release announced that contracts for an additional three feature films, to be produced in Mexico, had also been signed.

ii) On or about September 10, 1987, Calgroup filed a Material Change Report with the Commission under section 74(2) of the Act. In this Report, Calgroup indicated that a letter of intent for the production of 20 film properties was signed on August 14, 1987. It went on to state that on August 17, Calgroup had received a letter concerning the implementation of approved film projects in Mexico, and that on August 28, 1987 conditional contracts between Reid Chartwell Productions Inc. and (RCPI) a subsidiary of Calgroup and Midata Management Corporation ("Midata") had been approved. The report indicated that the first two film properties would result in Calgroup having gross revenues of $23,025,000 including an additional interest in any subsequent profits to be earned by the films.

iii) The report went on, on a confidential basis, to disclose certain other terms and conditions concerning the arrangements and the details of the monies to be paid in respect thereof.

iv) On September 16, 1987, Calgroup requested that its shares be halted on the Alberta Stock Exchange pending the completion of the financing arrangements referred to in their press release of September 3. This financing had not been completed notwithstanding that the press release stated "financing for the first two feature film properties having the working titles 'Bachelor Honeymoon' and 'Maxmillion', has been approved today. Preproduction for the first of these pictures will begin later this month in Mexico."

v) The staff of the Commission made repeated attempts to have Calgroup provide to it the terms, conditions and details of the movie contracts and financing arrangements. Notwithstanding these requests, Calgroup refused or was unable to provide substantiation of their statement in the press release that "financing has been approved today."

vi) The press release of September 16, 1987, concluded by stating "Calgroup will issue a new release containing details of this financing when completed and prior to requesting resumption of trading."

vii) On or about October 19, 1987, Calgroup requested that the Alberta Stock Exchange resume trading of its common shares following the dissemination of a press release that it made that day. The October 19, 1987 press release stated inter alia "total financing to be provided to Reid by Midata for the five films is $57,465,000 (U.S.). Total budgeted cost and fees to be paid by Reid are $49,750,000

(U.S.), leaving Reid with net income of $7,715,000 (U.S.) prior to a share of potential distribution profits which cannot be forecast with any degree of accuracy at this time." The press release also indicated that certain conditions were required to be met prior to provision of the financing, including the provision of distribution agreements, completion bond committments, and script approval. The press release concluded by stating "management estimates that funds will be provided to Reid by Midata for the first film in about six weeks subject to the availability of creative talent, and all five films are scheduled for production over an 18 month period."

viii) The staff of the Commission again requested that Calgroup provide it with details and contracts respecting the financing arrangements. Despite repeated requests, Calgroup has refused or been unable to provide the staff with the materials requested.

ix) On or about November 2, 1987, Calgroup again requested that the Alberta Stock Exchange halt trading in its shares since it had been able to satisfy the staff of the Ontario Securities Commission concerning the adequacy of financing arrangements for the five motion pictures. In this release, Calgroup stated that it would request that trading be resumed when the Commission had been satisfied regarding the adequacy of the financing arrangements or when financing for the first of the motion pictures had been provided to Reid Chartwell Productions Inc.

x) On or about November 17, 1987, further material was provided to the staff at the Commission concerning the financing arrangements for the films. The staff of the Commission again advised Calgroup that this material was not satisfactory in that there was no evidence to confirm the availability of funds to be advanced by Midata, or that funds were available at Midata's request by a lender, to provide the necessary film financing.

xi) Calgroup continues in its failure or refusal to provide the staff of the Commission with evidence to establish the financing arrangements alleged in the press releases of September 4, 1987, and October 19, 1987.

xii) On or about November 23, 1987, the Commission was advised that the Alberta Stock Exchange would not maintain Calgroup's halt trade any longer and that the staff at the Alberta Securities Commission was seeking a cease trade order of Calgroup securities for failure to comply with the requirements of section 118 of the Securities Act, 1981 Statutes of Alberta, Chapter s-6.1 as amended.

xiii) Calgroup has failed to comply with the requirements of sections 74(1), (2), (3), and (4) of the Act.

xiv) It is in the public interest to cease trade the securities of Calgroup until such time as it substantiates the claims made in the press releases referred to above, or in the alternative, withdraws the press releases and states that financing arrangements are not in place as set out in the releases.

xv) Such further and other allegations as counsel may advise and the Commission permit.

TAKE NOTICE that any party to the proceedings may be represented by counsel of his choice at the hearing if he attends or submits evidence thereat.

AND TAKE NOTICE that upon failure of any party to attend at the time and place aforesaid the hearing may proceed in his absence and he is not entitled to any further notice in the proceedings.

DATED at Toronto, this 30th day of November, 1987.

Julie-Luce Farrell

Julie-Luce B. Farrell
Secretary to the Commission

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

416/963-

Suite 1800, Box/C.P. 55
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Toronto, Ontario
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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF BAYWOOD FINANCIAL INVESTMENTS LIMITED

NOTICE OF HEARING
(Section 26)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 26 of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") at the offices of the Commission on the 18th Floor, 20 Queen Street West, Toronto, Ontario, on Monday, the 7th day of December, 1987, at the hour of 10:00 o'clock in the forenoon, or so soon after that time as the hearing can be held:

TO CONSIDER:

(i) whether, in the opinion of the Commission, it is in the public interest to reprimand or to suspend, cancel, restrict or impose terms and conditions upon the registration of Baywood Financial Investments Limited; and

(ii) such further and other order as may be appropriate in the circumstances;

BY REASON OF THE FOLLOWING ALLEGATIONS:

1. That Baywood Financial Investments Limited can no longer meet the minimum capitalization requirement conditions of registration according to section 95(1) of the Regulations made pursuant to the Act.

AND TAKE NOTICE that any party to the proceedings may be represented by counsel of his choice at the hearing if he attends or submits evidence thereat;

AND TAKE NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in his absence and he is not entitled to any further notice in the proceedings.

DATED at Toronto, this 30th day of November, 1987.

Julie-Luce B. Farrell
Secretary to the Commission

TO: William M. Brown
Teplitsky, Colson
Barristers & Solicitors
70 Bond Street
Suite 200
Toronto, Ontario
M5B 1X3

Counsel for Baywood Financial Investments Limited

AND TO: Michael R. Green
Houser, Henry, Loudon & Syron
Barristers & Solicitors
Suite 2000
145 King Street West
Toronto, Ontario
M5H 2B6

Counsel for William Dressing

Ontario

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF SELIJDIN NEIM SALI

NOTICE OF HEARING
(Section 26)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 26 of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") at the offices of the Commission on the 18th Floor, 20 Queen Street West, Toronto, Ontario, on Monday, the 14th day of December, 1987, at the hour of 10:00 o'clock in the forenoon, or so soon after that time as the hearing can be held:

TO CONSIDER:

(i) whether, in the opinion of the Commission, it is in the public interest to reprimand or to suspend, cancel, restrict or impose terms and conditions upon the registration of Selijdin Neim Sali ("Sali"); and

(ii) such further and other Order as may be appropriate in the circumstances;

BY REASON of the following allegations:

1. On July 23, 1986, Sali submitted a Form 4 Application for Registration as a salesman for A.C. MacPherson & Co. Inc. ("MacPherson"), a securities dealer (the "Application"), ursuant to the Regulation enacted pursuant to the Act.

2. Effective August 5, 1986 the Commission granted registration to Sali as a salesman employed by MacPherson.

3. Effective September 2, 1986, Sali's registration was transferred to Marchment & MacKay Limited ("Marchment"), a securities dealer.

4. Effective September 29, 1987, Sali's employment with Marchment was terminated and his registration was suspended.

5. In answer to question 8(A) of the Application with respect to employment history, Sali stated that from November, 1985, to May, 1986, he was unemployed. This statement was a misrepresentation in that Sali failed to disclose that, during the same period between November, 1985, and May, 1986, Sali was employed, for part of the time, by Guardian Capital of The Hague, Netherlands, and for part of the time, by United Consultants of Amsterdam, Netherlands.

6. In answer to question 8(A) of the Application with respect to employment history, Sali disclosed that from October, 1985, to November, 1985, he had been employed by Timezone Corp. ("Timezone") of Madrid, Spain, as an investment consultant.

7. Sali is not suitable for registration because of his employment with Timezone about which the following is known:

   a) Sali did not attempt to learn who controlled Timezone.

   b) Sali's duties while employed by Timezone required him to sell securities over the telephone to individuals whose names and telephone numbers were provided to Sali by J. Gottlieb, Sales Manager for Timezone. Sali did not question how these names and telephone numbers were obtained. The individuals, whose names were given to Sali, were all Americans resident in the Middle East.

   c) Timezone did not sell securities to residents of Spain so as to avoid inquiries about its activities from Spanish authorities. Timezone did not sell securities to residents of the United States of America or Canada so as to avoid inquiries about its activities from the regulatory authorities in those jurisdictions. Sali knew Timezone would not sell securities to residents of these countries.

   d) Sali did not see a Prospectus or other statutory disclosure documents with respect to any of the securities he was selling and did not request to see a Prospectus or other statutory disclosure documents.

   e) Timezone had 14 telephones available for use by salesmen.

   f) Many of the salesmen employed by Timezone worked under aliases. Sali did not question the practice of other salesmen of working under aliases nor did he learn their assumed surnames.

g) Timezone sold only securities beneficially owned by Timezone and its associates. It rarely purchased securities from clients and did not sell securities on behalf of clients.

h) In summary, Timezone ran a "boiler-room" operation, selling highly speculative securities by way of high-pressure sales tactics.

8. Sali is not suitable for registration because of his employment with Guardian Capital about which the following is known:

a) Guardian Capital is controlled by Mark Rash, Howard Rash, and Hanock Ulfan. Sali was offered employment by Hanock Ulfan.

b) Sali did not make inquiries as to the suitability of taking employment with the Guardian Capital principals.

c) Mark Rash and Howard Rash had been the senior officers and directors of Mark Rash & Co. Ltd., a registered securities dealer in Ontario, which surrendered its registration after it was alleged by staff of the Commission that Mark Rash & Co. Ltd. used improper sales techniques to sell securities of junior issuers. At the time Sali was offered employment by Hancoch Ulfan, Sali knew of the allegations against Mark Rash & Co. Ltd.

d) Sali's duties while employed by Guardian Capital required him to sell securities over the telephone to individuals whose names and telephone numbers were provided to Sali by the owners of Guardian Capital. Sali did not question how these names and telephone numbers were obtained.

e) Guardian Capital did not sell securities to residents of the Netherlands so as to avoid inquiries about its activities from Netherlands authorities. Guardian Capital did not sell securities to residents of the United States of America or Canada, so as to avoid inquiries about its activities from the regulatory authorities in those jurisdictions. Sali knew Guardian Capital had a policy of not selling to residents of these countries.

f) Sali did not see any Prospectus or other statutory disclosure documents with respect to the securities he was selling and did not request to see a Prospectus or other statutory disclosure documents.

g) Sali only sold the securities of one issuer and he is unable to remember the name of the issuer.

h) Guardian Capital had 6 or 7 telephones available for use by salesmen during the time of Sali's employment.

i) During the term of Sali's employment, Guardian Capital sold only securities beneficially owned by Guardian Capital and its associates. It rarely purchased securities from clients and never sold securities on behalf of clients.

j) In summary, Guardian Capital ran a "boiler-room" operation, selling highly speculative securities by way of high-pressure sales tactics.

9. Sali is not suitable for registration because of his employment with United Consultants about which the following is known:

a) Sali did not attempt to learn who owned United Consultants.

b) Sali's duties while employed by United Consultants required him to sell securities over the telephone to individuals whose names and telephone numbers had been provided to Sali by United Consultants. Sali did not question how these names and telephone numbers were obtained.

c) United Consultants did not sell securities to residents of the Netherlands, so as to avoid inquiries about its activities from Netherlands authorities. United Consultants did not sell securities to residents of the United States of America or Canada, so as to avoid inquiries about its activities from the regulatory authorities in those jurisdictions. Sali knew United Consultants had a policy of not selling securities to residents of these countries.

d) Sali only sold the securities of one issuer and he is unable to remember the name of the issuer whose securities he was selling.

e) Sali did not see a Prospectus or other statutory disclosure documents with respect to the securities he was selling and did not ask to see a Prospectus or other statutory disclosure document.

f) United Consultants had 5 to 7 telephones available for use by salesmen.

g) Most of the salesmen employed by United Consultants worked under aliases and Sali did not know their assumed surnames. Sali did not question the practice of other salesmen of working under aliases.

h) United Consultants rarely purchased securities from clients and did not sell securities on behalf of clients.

i) While employed by United Consultants, Sali earned sales commissions totalling 20,000 Dutch guilders in respect of sales made by Sali. Sali was paid 8,000 Dutch guilders for sales made by him while employed by United Consultants.

j) In May, 1986, the premises of United Consultants were searched and documents were seized by the Amsterdam Municipal Police Fraud Bureau. Sali was found on the premises of United Consultants by the Amsterdam Municipal Police Fraud Bureau. They examined his passport and told him to leave the premises.

k) In summary, United Consultants also ran a "boiler-room" operation, selling highly speculative securities by way of high-pressure sales tactics.

AND TAKE NOTICE that any party to the proceedings may be represented by counsel of his choice at the hearing if he attends or submits evidence thereat;

AND TAKE NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in his absence and he is not entitled to any further notice in the proceedings.

DATED at Toronto, this 26th day of November, 1987.

Julie-Luce Farrell

Julie-Luce B. Farrell
Secretary to the Commission

TO: Selijdin Neim Sali
136 Perry Crescent
Islington, Ontario
M9A 1K7

PRESS RELEASE

CANADIAN OVER-THE-COUNTER AUTOMATED TRADING SYSTEM (COATS)

MONTHLY STATISTICS

	TOTAL VOLUME	TOTAL VALUE	TOTAL TRADES
NOVEMBER	30,042,313	$101,317,801	9,207
DECEMBER	21,340,815	59,394,481	5,598
JANUARY	28,308,198	49,850,006	6,375
FEBRUARY	33,286,959	246,271,374	10,228
MARCH	40,073,973	171,498,795	11,409
APRIL	55,756,326	414,409,477	14,530
MAY	54,102,593	281,812,183	11,733
JUNE	33,162,737	131,190,008	9,629
JULY	43,886,559	138,256,389	11,296
AUGUST	41,985,809	96,500,465	10,891
SEPTEMBER	35,668,714	106,913,181	8,305
OCTOBER	28,791,258	56,693,284	8,141
NOVEMBER	16,974,877	21,229,586	4,420

	AVERAGE DAILY VOLUME	AVERAGE DAILY VALUE	AVERAGE NO. OF TRADES PER DAY
NOVEMBER	1,502,116	$ 5,065,890	460
DECEMBER	1,016,229	2,828,309	267
JANUARY	1,348,009	2,373,810	304
FEBRUARY	1,664,348	12,313,569	511
MARCH	1,821,544	7,795,399	519
APRIL	2,655,063	19,733,785	692
MAY	2,705,130	14,090,609	587
JUNE	1,507,397	5,963,182	438
JULY	1,994,844	6,284,381	513
AUGUST	2,099,290	4,825,023	545
SEPTEMBER	1,698,510	5,091,104	395
OCTOBER	1,371,012	2,699,680	388
NOVEMBER	808,327	1,010,933	210

Ref: Tom Petroff
593-8340

PRESS RELEASE

TORONTO - The Ontario Securities Commission announced today that it has received notification that an Applicant who had applied for an in camera hearing and review of a decision of the Director dated September 18, 1987 refusing registration as an outside director and approval as a shareholder of a securities dealer wishes to withdraw the Application. As a result the hearing and review scheduled for January 28, 1988 will not be held.

From: Ontario Securities Commission
Ref: Julie-Luce B. Farrell
Secretary to the Commission
416-593-0300/0212

CHAPTER TWO
(DECISIONS: ORDERS, RULINGS)

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

416/963-

Suite 1800, Box/C.P. 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466

AND

IN THE MATTER OF
UNICORP CANADA CORPORATION

ORDER
(Clause 100c(2)(c))

UPON the application of Unicorp Canada Corporation ("UCC") to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 100c(2)(c) of the Securities Act (the "Act") R.S.O. 1980, c. 466, as amended (the "Act") exempting UCC from the requirements of Part XIX of the Act with respect to a proposed transfer to UCC of 20,513,256 common shares (the "Shares") of Union Enterprises Ltd. from a wholly-owned subsidiary of UCC;

AND UPON it being represented to the Commission that:

1. UCC is an Ontario corporation and is a reporting issuer under the Act;

2. The Shares are currently owned by Unigas Investments Limited ("Investments"), an indirect wholly-owned subsidiary of UCC;

3. Investments will amalgamate with Unigas Corporation and Unicorp Canada Inc., two other wholly-owned subsidiaries of UCC, which companies will continue under the name of "Unicorp Canada Inc." ("Amalco");

4. Upon the amalgamation becoming effective, the Shares will be held by Amalco;

5. Amalco intends to transfer the Shares to UCC (the "Transfer");

6. The Transfer is a non-exempt take-over bid for the purposes of Part XIX of the Act.

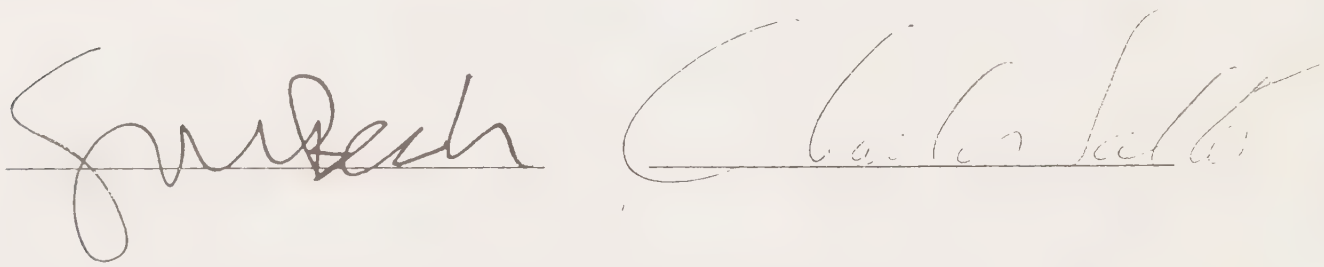
7. The Transfer does not result in any change in the level of indirect ownership by UCC in UEL.

AND UPON the Commission having considered the recommendation of staff;

AND UPON the Commission being of the opinion tht it would not be prejudicial to the public interest to do so;

IT IS ORDERED pursuant to clause 100c(2)(c) of the Act that UCC be exempted from the requirements of Part XIX of the Act with respect to the Transfer.

December 15, 1987.



Headnote

Take-over bid pursuant to a bona fide corporate reorganization where level of of indirect ownership did not change exempted from Part XIX of the Act.

Securities Act, R.S.O. 1980 c. 466, as am., s. 100c(2)(c)

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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**IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, 1982
S.O. 1982, CHAPTER 4**

AND

**IN THE MATTER OF
POTASH COMPANY OF AMERICA, INC.**

**ORDER
(Section 189)**

UPON the application by Potash Company of America, Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") pursuant to subsection 189(6) of the Business Corporations Act, 1982, S.O. 1982, c. 4, as amended, (the "OBCA") for an order exempting the Applicant, Rio Algom Limited ("Rio Algom") and 715503 Ontario Inc. ("RioSub"), a wholly-owned subsidiary of Rio Algom, from the requirements of Section 189 of the OBCA in respect of the transaction hereinafter described;

AND UPON it appearing to the Commission, on the basis of the application and material filed, that:

1. The Applicant is incorporated under the OBCA and its authorized capital consists of an unlimited number of preferred shares, issuable in series and an unlimited number of common shares of which 1,200,000 preferred shares designated as $2.50 Voting Convertible Preferred Shares, Series 1 (the "Series 1 Preferred Shares") and 10,753,428 common shares are issued and outstanding;

2. RioSub owns all of the 10,753,428 issued and outstanding common shares of the Applicant. None of the Series 1 Preferred Shares is owned by Rio Algom or its affiliates. The holders of the Series 1 Preferred Shares are entitled to notice of and to attend and vote at all meetings of shareholders of the Applicant. Each Series 1 Preferred Share entitles its holder to a number of votes equal to the number of common shares into which such Series 1

Preferred Share is convertible at the time of the meeting. At the date hereof, the Series 1 Preferred Shares are convertible at the option of the holders into an aggregate of 1,500,000 common shares of the Applicant being a conversion ratio of 1.25 common shares for each Series 1 Preferred Share;

3. The Applicant is proposing to amalgamate (the "Amalgamation") with RioSub pursuant to the provisions of the OBCA with the result that:

(a) All of the common shares of the Applicant held by RioSub will be cancelled as required pursuant to subsection 174(2) of the OBCA;

(b) All of the common shares of RioSub held by Rio Algom will be exchanged for common shares of the amalgamated corporation (the "Amalgamated Corporation");

(c) The holders of Series 1 Preferred Shares will receive one (1) redeemable, retractable, convertible Second Preference Share, Series B ("Series B Preference Share") of Rio Algom for each Series 1 Preferred Share held by them;

(d) Any holder of Series 1 Preferred Shares who converts all or part of such shares into common shares of the Applicant prior to the effective date of the Amalgamation, will, on the Amalgamation, receive four (4) Series B Preference Shares of Rio Algom for each five (5) such common shares held by him and a cash payment in respect of fractional interests; and

(e) Each Series B Preference Share will, for a period of approximately 60 days following issuance, be convertible into one common share of Rio Algom (a "Rio Algom Common Share") at the option of the holder or be retractable at $18.00 at the option of the holder. All Series B Preference Shares outstanding on the expiry of the conversion and retraction period will be redeemed by the Applicant at $18.00 per share. The Series B Preference Shares will not be entitled to dividends;

4. Rio Algom is a reporting issuer under the Securities Act, R.S.O. 1980 c. 466 as amended (the "Securities Act") and is not on the list of defaulting reporting issuers maintained pursuant to subsection 71(9) of

the Securities Act. The Rio Algom Common Shares are listed on The Toronto Stock Exchange, the Montreal Exchange and the American Stock Exchange and are participating securities within the meaning of Section 189 of the OBCA and are not limited in any circumstances in the extent of their participation in earnings of Rio Algom or in its assets upon liquidation or winding-up subject to the prior rights of other classes or series of shares;

5. The Applicant must call a special meeting (the "Meeting") of the holders of its common shares and its Series 1 Preferred Shares to consider and approve the Amalgamation;

6. Pursuant to subsection 175(4) of the OBCA, the resolution authorizing the Amalgamation must be passed by the affirmative votes of the holders of at least 66-2/3% of the common shares and Series 1 Preferred Shares of the Applicant represented at the Meeting and voted thereon as a group and in addition, by the affirmative votes of the holders of at least 66-2/3% of the Series 1 Preferred Shares represented at the Meeting and voted thereon separately as a class;

7. Pursuant to section 184 of the OBCA, any shareholder of the Applicant who dissents in respect of the Amalgamation is entitled, upon compliance with the appropriate procedures, to be paid by the Amalgamated Corporation the fair value of the common shares and Series 1 Preferred Shares held by him;

8. Burns Fry Limited has delivered to the directors of the Applicant a valuation of the Series 1 Preferred Shares, stating that in its opinion, as at November 6, 1987 the fair value of the Series 1 Preferred Shares was approximately $12.25 to $15.50 per share;

9. The Series B Preference Shares are limited in the extent of their participation in earnings to a greater extent than the Series 1 Preference Shares, in that the Series B Preference Shares are not entitled to dividends and the Amalgamation therefore may technically constitute a going private transaction within the meaning of section 189 of the OBCA, notwithstanding that each holder of a Series 1 Preferred Share is immediately entitled to acquire a participating share of Rio Algom upon the Amalgamation;

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 189 of the OBCA, that the Applicant is exempted from the requirements of section 189 of the OBCA on the condition that the Series B Preference Shares are of at least equivalent value to the Series 1 Preferred Shares within the meaning of section 189 of the OBCA.

DATED at Toronto this 18th day of November, 1987.

Headnote

Transaction providing public shareholders with option to receive cash or a participating share of equivalent value not treated as going private transaction for purposes of s. 189 of OBCA - Transaction might technically be a going private transaction because preference shares offered do not carry comparable dividend rate to presently outstanding securities - Preferred shares issued on amalgamation merely a mechanism to provide the option to shareholders referred to above.

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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TDX 76

IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF NESBITT, THOMSON INC.

O R D E R
(Section 82)

UPON the application of Nesbitt, Thomson Inc., a corporation incorporated under the laws of Canada, to the Ontario Securities Commission (the "Commission") for an order pursuant to section 82 of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act");

AND UPON it being represented that Nesbitt, Thomson Inc. now has fewer than fifteen security holders whose latest address as shown on its books is in Ontario;

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 82 of the Act that Nesbitt, Thomson Inc. is deemed to have ceased to be a reporting issuer for the purposes of the Act;

DATED at Toronto this 23rd day of December, 1987.

Charles Salter

J.W. Blain

Headnote

Issuer deemed to have ceased to be reporting issuer under the Act.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., s. 82.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF HEARTLAND EQUITY FUND,
HEARTLAND GROWTH FUND, AND
HEARTLAND BOND FUND

O R D E R

(Subsection 61(5))

UPON the application of Merritt Easton Rae Management Ltd. (the "Manager"), the manager of Heartland Equity Fund, Heartland Growth Fund, and Heartland Bond Fund (the "Funds") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 61(5) of the Securities Act, R.S.O. 1980, c. 466, as amended, (the ("Act");

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON the Manager having represented to the Commission that:

1. the Funds are unincorporated open-end mutual fund trusts established under the laws of Ontario by a Declaration of Trust dated December 29, 1986, as amended;

2. on December 31, 1986 the Director issued a preliminary receipt for a preliminary simplified prospectus and annual information form in respect of the units of the Funds and on May 14, 1987 the Director issued a final receipt for a simplified prospectus and annual information form (the "Prospectus") qualifying the units of the Funds for distribution in Ontario;

3. the lapse date referred to in subsection 61(1) of the Act in respect of the Prospectus is December 31, 1987;

4. the year end of each of the Funds has been established as December 31 in each year;

5. if the lapse dated is not extended the Funds will be required to make the prospectus filing contemplated by subsection 61(2) of the Act without having available the Fund's financial statements for the year ended December 31, 1987;

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 61(5) of the Act that the time periods provided by subsection 61(2) of the Act, as they apply to the distribution of mutual fund units of the Funds pursuant to the Prospectus are hereby extended to the times that they would be if the lapse date for the distribution of mutual fund units of the Funds pursuant to the Prospectus was April 30, 1988.

DATED at Toronto this 17th day of December, 1987.

J.W. Blain

Headnote

Subsection 61(5) - Order extending times provided by subsection 61(2) to those applicable if the lapse date for the distribution of units of the Funds was April 30, 1988 in order to allow for preparation and filing of audited financial statements.

Statutes Cited

Securities Act, R. S. O. 1980, c. 466, as am., ss. 61(1), 61(2) and 61(5).

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF FALDO MINES & ENERGY CORP.

O R D E R

(Clause 79(b)(iii))

UPON the application of Faldo Mines & Energy Corp. (the "Issuer"), a corporation incorporated under the laws of Ontario, to the Ontario Securities Commission (the "Commission"), for an order pursuant to clause 79(b)(iii) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") and Commission Policy 2.6 exempting the Issuer from the requirements of sections 76 and 78 of the Act;

AND UPON being satisfied that to do so would not be prejudicial to the public interest and that in the circumstances of this particular case there is adequate justification for so doing;

IT IS ORDERED pursuant to clause 79(b)(iii) of the Act that the Issuer is exempted from the requirement to file pursuant to subsection 76(1) and from the requirement to send pursuant to section 78 of the Act, interim financial statements for each of the first and third quarters of each of its financial years provided that:

1. This exemption shall be approved at the next annual meeting of security holders of the Issuer by a majority of the shares that are represented and voted at such meeting and the result of such vote shall be reported to the Commission in writing within ten business days of the meeting;

2. This exemption shall terminate thirty days after the occurrence of a material change in the affairs of the Issuer unless the Issuer satisfies the Commission that the exemption should continue.

DATED at Toronto this 17th day of December, 1987.

Headnote

Issuer exempted from the requirements in subsection 76(1) and section 78 of the Act to file and distribute interim financial statements for the first and third quarters of each financial year. Exemption must be approved by security holders. Exemption terminates thirty days after the occurrence of a material change in the affairs of the Issuer unless the Commission is satisfied that exemption should continue.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 76, 78, 79(b)(iii).

Policies Cited

O.S.C. Policy 2.6.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF PERPETUAL GROWTH FUND - V LIMITED

ORDER
(Section 109)

UPON the application of Perpetual Growth Fund - V Limited (the "Fund") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 109 of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act");

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON the Fund having represented to the Commission that:

1. the Fund is a mutual fund corporation created by articles of incorporation dated February 25, 1987 and governed by the Canada Business Corporations Act;

2. the Fund will, upon a receipt having been granted for the prospectus of NIM and Company, Limited Partnership - 1988, be a reporting issuer under the Act, the Securities Act (Quebec), the Securities Act (Alberta), the Securities Act (Nova Scotia) and the Securities Act (British Columbia);

3. MD Management Limited ("MD") is the investment manager of the Fund;

4. MD is also the investment manager of CMA Investment Fund ("CMA") and MD Growth Investment Limited ("MD Growth");

5. CMA and MD Growth are both reporting issuers under the Act and neither is in default of any requirements of the Act or Regulation thereto;

6. MD receives investment advice from some of the same and related investment advisors with respect to the investments of the Fund, CMA and MD Growth; and

7. the Fund, CMA and MD Growth share common investment objectives;

AND UPON it appearing to the Commission that the investment by the Fund in securities of CMA and MD Growth would be in contravention of clause (b) of subsection 107(2) of the Act;

AND UPON the Commission being satisfied that the proposal of the Fund to invest in securities of CMA and MD Growth represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund;

IT IS ORDERED pursuant to section 109 of the Act that clause 107(2)(b) of the Act does not apply to the Fund investing its assets in securities of CMA and MD Growth subject to the following terms and conditions:

A. CMA and MD Growth comply with the requirements of OSC Policy Statement No. 11.1; and

B. CMA, MD Growth and the Fund continue to be managed by MD.

DATED at Toronto this 16th day of October, 1987.

J. H. Holland Charles Salter

Headnote

Section 109 - Order granted to allow applicant to invest in securities of related mutual funds; applicant having investment policies consistent with those of related mutual funds.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 107(2)(b), 109.

Policies Cited

OSC Policy 11.1(F).

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IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT,
S.O. 1982, CHAPTER 4, AS AMENDED

AND

IN THE MATTER OF
CONSUMERS DISTRIBUTING COMPANY LIMITED

ORDER

(Securities Act - Section 82 and
Business Corporations Act, 1982 - Subsection 1(6))

UPON the application of Consumers Distributing Company Limited, a corporation amalgamated under the laws of Ontario, to the Ontario Securities Commission (the "Commission") for an order pursuant to section 82 of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Securities Act") and subsection 1(6) of the Business Corporations Act, S.O. 1982, c. 4, as amended (the "OBCA");

AND UPON it being represented that Consumers Distributing Company Limited now has fewer than fifteen security holders;

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 82 of the Securities Act that Consumers Distributing Company Limited is deemed to have ceased to be a reporting issuer for the purposes of the Securities Act;

AND IT IS FURTHER ORDERED pursuant to subsection 1(6) of the OBCA that Consumers Distributing Company Limited is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

DATED at Toronto this 16th day of December, 1987.

Headnote

Issuer deemed to have ceased to be reporting issuer under Securities Act and deemed to have ceased to be offering its securities to the public under the Business Corporations Act.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as amended, s. 82

Business Corporations Act, 1982, S.O. 1982, c. 4, s. 1(6)

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IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF TBM NT CORPORATION
AND
RBK NT CORPORATION
(THE "ISSUERS")

ORDER
(Subclause 117(2)(a)(ii))

UPON the application of the Issuers to the Ontario Securities Commission (the "Commission") pursuant to subclause 117(2)(a)(ii) of the Securities Act, R.S.O. 1980, c. 466 as amended (the "Act"), for an order exempting their insiders from the requirements of sections 102 and 104 of the Act;

AND UPON the Commission pursuant to section 6 of the Act having assigned to me the power to make an order pursuant to clause 117(2)(a) of the Act;

AND UPON being satisfied in the circumstances of this particular case that there is adequate justification for so doing;

IT IS ORDERED pursuant to subclause 117(2)(a)(ii) of the Act that the insiders of the Issuers be and they are hereby exempted from the reporting requirements of sections 102 and 104 of the Act with respect to trades in the preferred shares and capital shares as the case may be, of the Issuers.

DATED at Toronto this 15th day of December, 1987.

Deputy Director

HEADNOTE

Subdivided offering-all insiders of the Issuers exempted from all reporting requirements as there exists no inside information, due to the structure of the transaction.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 102, 104, 117(2)(a)(ii).

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IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF TBM NT CORPORATION

ORDER
(Subclause 79(b)(iii))

UPON the application of TBM NT Corporation (the "Issuer") to the Ontario Securities Commission (the "Commission") pursuant to subclause 79(b)(iii) of the Securities Act, R.S.O. 1980, c. 466 as amended (the "Act");

AND UPON being of the opinion that to do so would not be prejudicial to the public interest, and being satisfied in the circumstances of this particular case that there is adequate justification for so doing;

IT IS ORDERED pursuant to subclause 79(b)(iii) of the Act that the Issuer is exempt from the requirements of sections 77 and 78 of the Act with respect to the financial statements of the Issuer for the year ending October 31, 1987 provided that the financial statements of the Issuer for the year ending October 31, 1988 include any initial period of operations prior to October 31, 1987.

DATED at Toronto this 17th day of December, 1987.

HEADNOTE

Issuer exempted from filing first annual financial statements where year end falls within a short period after the date of the final receipt and issuer is a holding company without any operations so that filing the statements would provide no useful information.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 77, 78, 79(b)(iii).

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IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF RBK NT CORPORATION

ORDER
(Subclause 79(b)(iii))

UPON the application of RBK NT Corporation (the "Issuer") to the Ontario Securities Commission (the "Commission") pursuant to subclause 79(b)(iii) of the Securities Act, R.S.O. 1980, c. 466 as amended (the "Act");

AND UPON being of the opinion that to do so would not be prejudicial to the public interest, and being satisfied in the circumstances of this particular case that there is adequate justification for so doing;

IT IS ORDERED pursuant to subclause 79(b)(iii) of the Act that the Issuer is exempt from the requirements of sections 77 and 78 of the Act with respect to the financial statements of the Issuer for the year ending September 30, 1987, provided that the financial statements of the Issuer for the year ending September 30, 1988 include any initial period of operations prior to September 31, 1987.

DATED at Toronto this 17th day of December, 1987.

HEADNOTE

Issuer exempted from filing first annual financial statements where year end falls within a short period after the date of the final receipt and issuer is a holding company without any operations so that filing the statements would provide no useful information.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 77, 78, 79(b)(iii).

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF
DYNAMIC GLOBAL FUND

ORDER
(Subsection 61(5))

UPON the application of Dynamic Funds Management Ltd. (the "Manager"), the manager of Dynamic Global Fund (the "Fund"), to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 61(5) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act");

AND UPON reading the application and the recommendation of staff of the Commission;

AND UPON the Manager having represented to the Commission that:

1. the Fund is a mutual fund trust established under the laws of the Province of Ontario by a Declaration of Trust dated October 14, 1986;

2. the Fund is a reporting issuer as defined in the Act and is not in default of any of the requirements of the Act or Regulation thereunder;

3. on December 17, 1986 the Director issued a receipt for a preliminary prospectus dated December 17, 1986 in respect of the units of the Fund;

4. on February 20, 1987 the Director issued a final receipt for a prospectus (the "Prospectus") dated February 20, 1987 qualifying the units of the Fund for distribution in Ontario;

....

5. the lapse date of the Prospectus pursuant to clause 61(1)(a) of the Act is December 17, 1987;

6. the Manager manages a group of mutual funds (the "Dynamic Funds") which distribute their units and shares on a continuous basis pursuant to a simplified prospectus and annual information form which has a lapse date of April 30, 1988 for distribution of units and shares in Ontario; and

7. the Manager wishes to include the Fund in the renewal simplified prospectus and annual information form of the Dynamic Funds to be filed on or before March 31, 1988;

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 61(5) of the Act that the times provided by subsection 61(2) of the Act, as they apply to the distribution of units of the Fund pursuant to the Prospectus, are hereby extended to the times they would be if the lapse date of the distribution of units of the Fund pursuant to the Prospectus were April 30, 1988.

DATED at Toronto this 16th day of December, 1987.

Headnote

Subsection 61(5) - order extending times provided by subsection 61(2) to those applicable as if the lapse date of the distribution of units of the Fund were April 30, 1988.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 61(1), 61(2), 61(5).

Regulations Cited

Regulation under Securities Act, R.R.O. 1980, Reg. 910, as am.

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IN THE MATTER OF THE SECURITIES ACT, R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF CINEMARS 11 FILM AND COMPANY, LIMITED PARTNERSHIP

O R D E R

(Clause 79(b)(iii))

UPON the application of Cinemars 11 Film and Company, Limited Partnership (the "Partnership"), a limited partnership formed under the laws of Quebec to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 79(b)(iii) of the Securities Act, R.S.O. 1980, c.466, as amended (the "Act") and Commission Policy 2.6 exempting the Partnership from the requirements of subsection 76(1) and section 78 of the Act;

AND UPON being satisfied that to do so would not be prejudicial to the public interest and that in the circumstances of this particular case there is adequate justification for so doing;

IT IS ORDERED pursuant to clause 79(b)(iii) of the Act that the Partnership is exempted from the requirement to file pursuant to subsection 76(1) and from the requirement to send pursuant to section 78 of the Act, interim financial statements for each of the first and third quarters of each of the Partnership's financial years, provided that:

1. This exemption shall be approved at the first annual meeting of security holders of the Partnership by a majority of the securities that are represented and voted at such meeting and the result of such vote shall be reported to the Commission in writing within ten business days of the meeting;

2. This exemption shall terminate thirty days after the occurrence of a material change in the affairs of the Partnership unless the Partnership satisfies the Commission that the exemption should continue.

DATED at Toronto this 17th day of December, 1987.

J.W. Bowman

[illegible]

Headnote:

Partnership exempted from the requirements in subsection 76(1) and section 78 of the Act to file and send, respectively interim financial statements for the first and third quarters of each financial year of the partnership - Exemption must be approved at the first annual meeting of limited partners - Exemption terminates thirty days after the occurrence of a material change in the affairs of the partnership, unless the Commission is satisfied that exemption should continue.

Statutes Cited:

Securities Act, R.S.O. 1980, c. 466, as amended, SS.76, 78, 79(b)(iii).

Policies Cited:

O.S.C. Policy 2.6.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF CINEMARS ENTERTAINMENT INVESTMENTS LTD.

O R D E R
(Clause 79(b)(iii))

UPON the application of Cinemars Entertainment Investments Ltd. (the "Issuer"), a corporation incorporated under the laws of Canada to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 79(b)(iii) of the Securities Act, R.S.O. 1980, c.466, as amended (the "Act") and Commission Policy 2.6 exempting the Issuer from the requirements of sections 76 and 78 of the Act;

AND UPON being satisfied that to do so would not be prejudicial to the public interest and that in the circumstances of this particular case there is adequate justification for so doing;

IT IS ORDERED pursuant to clause 79(b)(iii) of the Act that the Issuer is exempted from the requirement to file pursuant to subsection 76(1) and from the requirement to send pursuant to section 78 of the Act, interim financial statements for each of the first and third quarters of each of its financial years, provided that:

1. This exemption shall be approved at the next annual meeting of security holders of the Issuer by a majority of the shares that are represented and voted at such meeting and the result of such vote shall be reported to the Commission in writing within ten business days of the meeting;

2. This exemption shall terminate thirty days after the occurrence of a material change in the affairs of the Issuer unless the Issuer satisfies the Commission that the exemption should continue.

DATED at Toronto this 17th day of December, 1987.

J.W. Adams

W. Gotlieb

Headnote:

Issuer exempted from the requirements in subsection 76(1) and section 78 of the Act to file and distribute interim financial statements for the first and third quarters of each financial year. Exemption must be approved by security holders. Exemption terminates thirty days after the occurrence of a material change in the affairs of the Issuer unless the Commission is satisfied that exemption should continue.

Statutes Cited:

Securities Act, R.S.O. 1980, c. 466, as amended, SS.76, 78, 79(b)(iii).

Policies Cited:

O.S.C. Policy 2.6.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF FLETCHER CHALLENGE LIMITED

O R D E R

(Clause 117(2)(a)(ii))

UPON the application of Fletcher Challenge Limited (the "Issuer"), a corporation incorporated under the laws of New Zealand, to the Ontario Securities Commission (the "Commission") pursuant to clause 117(2)(a)(ii) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") and Commission Policy 10.1; for an order exempting certain of its insiders from the requirements of sections 102 and 104 of the Act;

AND UPON the Issuer having submitted to the Commission a list of its subsidiary companies which it represents as disclosing all of its major subsidiaries within the meaning of Commission Policy 10.1, ("Major Subsidiaries");

AND UPON the Commission having assigned to me pursuant to section 6 of the Act the power to make an order under clause 117(2)(a) of the Act;

AND UPON being satisfied in the circumstances of this particular case that there is adequate justification for making this Order, and the conditions herein seeming just and expedient;

IT IS ORDERED pursuant to clause 117(2)(a)(ii) of the Act that the directors and senior officers of the subsidiaries of the Issuer, except those specified below, are exempted from the requirements of sections 102 and 104 of the Act with respect to the Issuer;

AND IT IS FURTHER ORDERED that the exemptions contained in this Order do not apply to those directors and senior officers of subsidiaries of the Issuer:

1. who in the ordinary course receive knowledge of material facts or changes with respect to the Issuer prior to general disclosure of such facts or changes;

2. who are or become directors or senior officers of any of the Major Subsidiaries;

3. who are or become insiders of the Issuer by reason of subparagraphs 1(1)(17)(i) or (iii) of the Act; or

4. are denied the exemptions contained in this Order by another order of the Commission;

AND IT IS FURTHER ORDERED that the following are conditions of this Order:

1. The Issuer shall maintain a continuous review of the senior officers and directors of its subsidiary companies and shall advise the Commission promptly of any of them which become, or cease to be, exempted by this Order;

2. The Issuer shall, upon the request of the Commission or its staff furnish any information reasonably necessary to determine whether a senior officer or director of any subsidiary is or is not exempted by this Order.

DATED at Toronto this 16th day of December, 1987.

Director

Headnote

Directors and senior officers of subsidiaries of issuer (other than those specifically excluded in order) exempted from insider reporting requirements on certain conditions.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 117(2)(a)(ii), 102, 104, 6.

Policies Cited

O.S.C. Policy 10.1.

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IN THE MATTER OF REGULATION 910
OF THE REVISED REGULATIONS OF ONTARIO, 1980,
BEING A REGULATION MADE UNDER THE SECURITIES ACT (ONTARIO)

AND

IN THE MATTER OF
GALCOR CAPITAL CORPORATION AND
DIVERSIFLOW RESOURCES LIMITED PARTNERSHIP XI

ORDER
(Section 208 of the Regulation)

UPON the application (the "Application") of Galcor Capital Corporation (the "Agent") and Diversiflow Resources Limited Partnership XI (the "Partnership") to the Ontario Securities Commission (the "Commission") for an order, pursuant to section 208 of Regulation 910, as amended (the "Regulation"), of the Revised Regulations of Ontario 1980 made under the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act"), to exempt the Agent from the requirements of clause 199(1)(b) of the Regulation in connection with a proposed distribution of units (the "Units") of limited partnership interest in the Partnership to be made by means of a prospectus prepared and filed in accordance with the Act;

AND UPON reading the Application and the recommendation of the staff of the Commission;

AND UPON the Agent having represented to the Commission that:

1. the Partnership is a limited partnership formed under the laws of Manitoba and governed by an agreement (the "Limited Partnership Agreement") dated August 27, 1987, amended and restated December 1, 1987, made between the General Partner, 72526 Manitoba Corporation (the "Initial Limited Partner") and persons or companies ("Limited Partners") who acquire Units and are admitted to the Partnership as limited partners or as a successor limited partner and shown as a limited partner on the certificate(s) filed to register the Partnership;

2. the general partner of the Partnership is 2166160 Manitoba Corporation (the "General Partner"), a corporation incorporated under the laws of Manitoba;

.... 2

3. the Agent is registered under the Act as a dealer in the category "securities dealer";

4. in connection with a proposed offering of Units by means of a prospectus (the "Public Offering"), on September 8, 1987 the Partnership filed a preliminary prospectus (the "Preliminary Prospectus") dated September 1, 1987 under subsection 52(1) of the Act and obtained a receipt therefor dated September 8, 1987 from the Director under section 54 of the Act;

5. the Partnership will become a reporting issuer under the Act when, in connection with the Public Offering, it files a prospectus (the "Final Prospectus") under subsection 52(1) of the Act and obtains a receipt therefor from the Director;

6. under the Public Offering, the Units will be sold on a best efforts basis by the Agent and may be sold on a best efforts basis in the Province of Ontario or other provinces by other securities dealers who are members of a selling group formed by, or who are sub-agents engaged by, the Agent;

7. the Partnership was formed for the purpose of investing its assets in a diversified portfolio of flow-through shares ("Flow-Through Shares") issued by public resource companies (the "Public Resource Companies") carrying out programs of mineral resource exploration in Canada pursuant to subscription agreements (the "Subscription Agreements") which have been, or will be, entered into by the Partnership and the Public Resource Company;

8. the Flow-Through Shares will consist of common shares, subordinate voting shares or rights, including warrants to acquire common shares of a class or series which is listed on any one or more of The Toronto Stock Exchange, The Montreal Exchange, the Vancouver Stock Exchange or The Alberta Stock Exchange, and in respect of which the Public Resource Company will agree to renounce to the Partnership Canadian exploration expenses as defined in paragraph 66.1(6)(a) of the Income Tax Act (Canada) which also qualify for the mining exploration depletion deduction provided for in Regulation 1203(1) of the Income Tax Act (Canada);

9. subscription proceeds (the "Subscription Proceeds") from the sale of Units under the Public Offering, consisting of a maximum of $6 million and a minimum of $750,000, will be applied as follows:

   (a) the Agent will receive an agency commission of 10% of the Subscription Proceeds for its services in the sale of Units;

   (b) the General Partner will receive a fee equal to 2% of the Subscription Proceeds to cover issue costs incurred by it in issuing Units under the Public Offering;

   (c) the General Partner will receive a fee equal to 5% of the Subscription Proceeds, together with the amount referred to in paragraph 10(ii), below, as a management fee to compensate it for its services to the Partnership; and

(d) after deduction of the amounts referred to in paragraphs (a), (b) and (c), above, the remaining 83% of the Subscription Proceeds (the "Net Proceeds") will be used by the Partnership to purchase Flow-Through Shares;

10. in addition to the amounts referred to in paragraph 9, above;

(i) the General Partner will have a .1% interest in the profits, losses and assets of the Partnership;

(ii) the General Partner will be entitled to any interest earned by the Partnership on the investment of the Net Proceeds pending the use thereof by the Partnership to purchase Flow-Through Shares; and

(iii) the Agent may be paid finder's fees by the Public Resource Companies under the Subscription Agreements, provided that the maximum finder's fee which the Agent shall be entitled to receive will not exceed 10% of the first $300,000, 7.5% of the second $700,000 and 5% of the balance of the amount payable by the Partnership to the Public Resource Company for Flow-Through Shares under the Subscription Agreement;

11. the General Partner is responsible for the investment of the assets of the Partnership and the management of the affairs of the Partnership;

12. should the General Partner be unable to enter into Subscription Agreements for the full amount of the Net Proceeds by December 31, 1987, any uncommitted funds will used to return to each Limited Partner his porportionate share of such uncommitted funds, without interest, by January 31, 1988;

13. the Flow-Through Shares which will be issued to the Partnership will be retained by the General Partner for the account of the Partnership until the expiration of any hold period applicable to the Partnership's holding of the Flow-Through Shares, after which time, the Flow-Through Shares will be distributed to the Limited Partners if they may be freely tradeable by the Limited Partners (except insofar as any restriction on resale arises as a result of the Limited Partner holding a "control block interest" in the Public Resource Company), or, if not, an orderly sale of Flow-Through Shares may be made and the proceeds distributed to the Limited Partners;

14. the Partnership will be dissolved upon the distribution to Limited Partners, or sale, of all of the Flow-Through Shares acquired by the Partnership, and, in certain other circumstances;

.... 4

15. the Prospectus will disclose, and the Limited Partnership Agreement provides, that the Partnership will not:

    (i) enter into any Subscription Agreement with a Public Resource Company that does note deal at arm's length with the General Partner and the Agent; or

    (ii) invest in any person or company that does not deal at arm's length with the General Partner and the Agent;

16. in addition to the prohibitions referred to in paragraph 15, and without restricting the generality of the prohibitions therein described, the Limited Partnership Agreement also provides that:

    (a) the Partnership shall not knowingly make an investment by way of a loan to:

        (i) any officer or director of the General Partner or the Agent or an associate of any of them;

        (ii) any individual, where the individual or an associate of the individual is a substantial security holder of the General Partner or the Agent;

    (b) the Partnership shall not knowingly make an investment:

        (i) in any person or company in whch the General Partner or Agent is a substantial security holder;

        (ii) in an issuer in which,

            A) any officer or director of the General Partner or the Agent or an associate or any of them, or

            B) any person or company who is a substantial security holder of the General Partner or Agent,

        has a significant interest; or

        (iii) in any person or company who is a substantial security holder of the General Partner or Agent;

    (c) the Partnership shall not knowingly make an investment in any class of securities of any issuer, other than those issued or guaranteed by the Government of Canada or a province or territory of Canada,

        (i) for which the Agent has acted as an underwriter in the distribution of such class of securities of the issuer, excepting as a member of the selling group distributing 5% or less of the securities underwritten, for a period of at least 60 days following the conclusion of the distribution of the underwritten securities to the public, or

(ii) of which any partner, director, officer or employee of the Agent or General Partner is an officer or director;

(d) the Partnership shall not knowingly purchase the securities of any issuer from the account of the Agent or any associate of the Agent or General Partner; and

(e) the Partnership shall not knowingly make any investment by way of loan to the Agent or General Partner or any associate of the Agent or General Partner;

where, for the purposes of the provisions referred to in this paragraph 16 and paragraph 15, "substantial securityholder", "investment" and "significant interest" have the respective meanings attributed thereto for the purposes of Part XX of the Act;

17. the Limited Partnership Agreement provides that the General Partner and Limited Partners that do not deal at arm's length with the General Partner are not entitled to vote on any matter in respect of which they, or any of them, may have a conflict of interest;

18. the Prospectus will disclose that the General Partner and the Agent will not receive any benefits, directly or indirectly, from the issuance of the Units offered under the Prospectus except as described therein;

19. by virtue of the following relationships, the Partnership is a connected issuer and a related issuer of the Agent for the purposes of Part XII of the Regulation:

(i) the General Partner is a wholly-owned subsidiary of Galcor Financial Services Ltd. ("Galcor Financial"), which is in turn, a wholly-owned subsidiary of Galcor Financial Group Ltd., a corporation which is ultimately controlled by the same group of individuals that directly controls I.S.L. Group Ltd., the company which owns all of the issued and oustanding shares of the Agent;

(ii) all but one of the officers or directors of the General Partner is also an officer and director of Galcor Financial and Galcor Financial Group Ltd. and of the Agent; and

(iii) the General Partner and Galcor Financial, the shareholder of the General Partner, may be considered to be the promoters of the Public Offering and will sign the certificate of promoter in the Prospectus; and

.... 6

20. the Agent will, by letter of memorandum (which will accompany the delivery of the Prospectus to each prospective investor) in form and content satisfactory to the Director, notify all prospective purchasers of Units under the Public Offering of the relationship between the Partnership, the General Partner, and the Agent;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 208 of the Regulation, that the Agent be and it is hereby exempt from the requirement of clause 199(1)(b) of the Regulation in connection with the distribution of Units by means of the Prospectus.

DATED at Toronto this 9th day of December, 1987.

Headnote

Agent/registrant exempted from co-underwriter requirement under clause 199(b) in respect of a distribution of units of limited partnership interests by means of a prospectus where the partnership is a related and connected issuer of the registrant - Units are an "in house" product set up by the agent to permit investors to take advantage of the tax-shelter benefits associated with investment by the partnership in flow-through shares of public resource companies selected by the general partner of the limited partnership - General partner is ultimately controlled by the same group of individuals who control the agent - Limited partnership agreement provides that the partnership will not invest in any person or company that does not deal at arm's length with the general partner and the agent - Partnership agreement also incorporates investment restrictions similar to the restrictions applicable to mutual funds under subsections 107(1) and (2) of the Act and the prohibited investment provisions of Item C of OSC Policy 11.3 respecting Dealer Managed Mutual Funds - Prospectus to be accompanied by letter which notifies all prospective purchasers of units of the relationship between the partnership, the general partner and the agent.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 52(1), 54, Part XX.

Income Tax Act, S.C. 1970-71-72, c. 63, as am., s. 66.1(6)(a).

Regulation under Income Tax Act, s. 1203(1).

Regulations Cited

Regulation under Securities Act, R.R.O. 1980, Reg. 910, as am., ss. 199(1)(b), 208.

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IN THE MATTER OF REGULATION 910 OF
REVISED REGULATIONS OF ONTARIO, 1980,
MADE UNDER THE SECURITIES ACT

AND

IN THE MATTER OF EQUION SECURITIES LIMITED AND
1988 TAP - IV RESOURCE LIMITED PARTNERSHIP

ORDER
(Section 208 of the Regulation)

UPON the application of Equion Securities Limited ("Equion Securities"), Equion Funds Inc. ("Equion Funds"), Dean Witter Reynolds (Canada) Inc. ("Dean Witter"), James D. Beatty & Associates Inc. ("Beatty") and 1988 Tap - IV Resource Limited Partnership (the "Partnership") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to section 208 of Regulation 910 of the Revised Regulations of Ontario, 1980 (the "Regulation") made under the Securities Act, R.S.O. 1980, c. 44, as amended (the "Act"), that the distribution by Equion Securities of units (the "Units") of limited partnership interest in the Partnership is not subject to the requirements of paragraph 199(1)(b) of the Regulation;

AND UPON reading the application and recommendation of the staff of the Commission:

AND UPON the applicant having represented to the Commission that:

1. Equion Securities holds registration as a securities dealer under the Act;

2. the Units will be sold on a best efforts basis by Equion Securities and Dean Witter;

3. the Partnership will use its share of the proceeds from the sale of the Units to subscribe for flow-through shares of exploration companies;

4. on or about September 30, 1988, the assets of the Partnership will be transferred to Tap Capital Corporation ("Tap"), a reporting issuer under the Act, in return for Class A Subordinate Voting Shares in the capital of Tap;

.../2

5. the Partnership will subsequently be wound up and its assets will be distributed to the limited partners in proportion to their respective interests in the Partnership;

6. Tap plans to provide equity and project financing to public companies engaged in the exploration, development and production of mineral and oil and gas resources;

7. the general partner of the Partnership is Tap Resource Management Ltd. (the "General Partner"); each of Beatty and Equion Funds own 50% of the issued and outstanding shares of the General Partner;

8. Beatty is a private corporation which is wholly-owned by James D. Beatty and members of his immediate family;

9. Equion Funds is affiliated with Equion Securities;

10. each of Beatty and Equion Funds owns 50,000 Class B Voting Shares in the capital of Tap;

11. Tap has an authorized capital consisting of an unlimited number of Class A Subordinate Voting Shares carrying one vote per share and 100,000 Class B Voting Shares carrying 100 votes per share;

12. Equion Funds and Beatty have signed the prospectus with respect to the offering of the Units as promoters;

13. the Partnership is a connected issuer in respect of Equion Securities; and

14. Tap has adopted certain investment restrictions which are contained in its articles and which are described in the prospectus and are designed to protect against certain conflicts of interest and forms of self-dealing and may not be changed except by an ordinary resolution of the holders of the Class A Subordinate Voting Shares voting separately as a class at a duly constituted meeting held for such purpose;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to section 208 of the Regulation that Equion Securities be exempt from the requirements provided for in paragraph 199(1)(b) of the Regulation in connection with the distribution by it of the Units, provided that Equion Securities and Dean Witter notify prospective investors, by letter or memorandum, in form and content satisfactory to the Director, of the relationships between the Partnership, the General Partner, Tap, Equion Funds and Equion Securities, and such letter or memorandum accompanies the delivery of a prospectus to each prospective investor.

DATED at Toronto this 15th day of December, 1987.

Paul L. Waitzer

Headnote

Reg. s. 208 - Registrant relieved of co-underwriter obligation in paragraph 199(1)(b) of the Regulation provided that prospective investors are notified, in writing, of the relationships which make the issuers connected issuers with respect to the registrant.

Statutes Cited

Securities Act, R.S.O. 1989, c. 466, as am.

Regulations Cited

Regulation under Securities Act, R.R.O. 1980, Reg. 910, as am., ss. 199(1)(b), 208.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF
MYW CANADIAN GROWTH FUND
MYW CANADIAN BALANCED FUND
MYW NORTH AMERICAN GROWTH FUND

ORDER
(Subsection 61(5))

UPON the application of McLeod Young Weir Limited (the "Manager"), the manager, trustee and principal distributor of MYW Canadian Growth Fund, MYW Canadian Balanced Fund and MYW North American Growth Fund (the "Funds") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 61(5) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act");

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON the Manager having represented to the Commission that:

1. the Funds are open-end mutual fund trusts created pursuant to the laws of the Province of Ontario by declarations of trust dated December 31, 1986;

2. a preliminary receipt dated November 25, 1986 for a preliminary simplified prospectus and annual information form was issued by the Director;

3. a final receipt dated January 14, 1987 for a final simplified prospectus and annual information form dated January 13, 1987 (collectively the "Prospectus") was issued by the Director;

4. pursuant to clause 61(1)(a) of the Act the lapse date for distribution of units of the Funds was November 25, 1987;

.... 2

5. pursuant to clause 61(2)(a) of the Act, a pro forma simplified prospectus and annual information form of the Funds was filed on October 26, 1987;

6. pursuant to clause 61(2)(b) of the Act, final materials including a simplified prospectus and annual information form of the Funds was filed on December 3, 1987, but such simplified prospectus and annual information form were not accompanied by an auditor's comfort letter with respect to the unaudited financial statements of the Funds dated June 30, 1987 which form part of the simplified prospectus and annual information form; and

7. the Manager seeks to withdraw the simplified prospectus and annual information form filed on December 3, 1987 and extend the time limits prescribed by subsection 61(2) of the Act to permit the filing of such simplified prospectus and annual information form as if the lapse date were March 31, 1988, so that the audited financial statements as of the year ended December 31, 1987 of the Funds can be incorporated therein;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 61(5) of the Act that the time limits set out in subsection 61(2) of the Act as they apply to the distribution of units of the Funds pursuant to the Prospectus are extended to those which would be applicable if the lapse date of the Prospectus were March 31, 1988.

DATED at Toronto this 15th day of December, 1987.

Paul L. Waitzer

Headnote

Subsection 61(5) lapse date extension order to permit audited financial statements to be incorporated into annual refiling.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 61(1), 61(2), 61(5).

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**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466**

AND

**IN THE MATTER OF
DIFFRACTO LIMITED**

**ORDER
(Clause 100c(2)(c))**

UPON the application (the "Application") of Diffracto Limited (the "Company") to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 100c(2)(c) of the Securities Act, R.S.O. 1980, c. 466 as amended (the "Act") exempting the Company from the requirements of Part XIX of the Act in connection with a proposed purchase by the Company of a warrant (the "Warrant") previously issued to General Motors of Canada Limited ("GMC") pursuant to a share and warrant purchase agreement between the Company and GMC dated as of March 15, 1985 (the "Share and Warrant Purchase Agreement");

AND UPON reading the Application and the recommendation of staff of the Commission:

AND UPON the Company having represented to the Commission that:

1. The Company is a corporation incorporated under the laws of the Province of Ontario and is a reporting issuer under the Act;

2. The Company is not in default of any requirements of the Act or the regulations made thereunder;

3. The authorized capital of the Company consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preference shares, issuable in series, of which 6,375,410 Common Shares and 1,000,000 10% cumulative convertible redeemable preferred shares, Series A (the "Preferred Shares") were issued and outstanding on November 16, 1987;

4. Pursuant to the anti-dilution provisions of the Share and Warrant Purchase Agreement the Warrant currently entitles GMC to purchase up to 1,522,084 Common Shares of the Company at an exercise price of $3.94 per share;

5. GMC is the sole holder of warrants of the Company;

6. It is no longer in the best interests of the Company, GMC or the other shareholders of the Company to have the Warrant outstanding;

7. The Company proposes to repurchase the Warrant from GMC for a purchase price of $194,230 to be satisfied by the issuance of 194,230 Preferred Shares; and

8. Following the purchase of the Warrant by the Company the Warrant will be cancelled;

AND UPON being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 100c(2)(c) of the Act, that the Company is hereby exempted from the requirements of Part XIX of the Act in connection with the purchase by the Company of the Warrant.

DATED at Toronto this 15th day of ~~November~~ December, 1987.

Paul L. Waitzer

Headnote

Offer by Company to purchase the only warrant of the Company issued and outstanding from one holder - - clause 100c(2)(c) order exempting Company from the requirements of Part XIX of the Act.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF THE MARLBOROUGH FUND

ORDER
(Subsection 61(5))

UPON the application of Marlborough Management Corporation Ltd. (the "Applicant"), the manager of the Marlborough Fund (the "Fund"), to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 61(5) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act");

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON the Applicant having represented to the Commission that;

1. the Fund is an open end mutual fund trust with an unlimited number of units available to the public, created under the provisions of a Declaration of Trust signed on January 15, 1968, with Canada Permanent Trust Company as the initial trustee and Montreal Trust Company of Canada appointed as the substitute trustee by a Supplemental Indenture dated October 23, 1968;

2. the lapse date of the Fund's most recent prospectus (the "Prospectus") was December 12, 1986;

3. on November 10, 1986 the pro forma renewal documentation was filed with the Commission;

4. subsequent to the filing of the pro forma simplified prospectus and annual information form, review by the Commission staff of the material filed was suspended pending the resolution of various imperfections in the Applicant's application for registration as a portfolio manager and investment counsel, and approval of an application under National Policy No. 11;

5. on December 24, 1986 an application for an extension of the lapse date under subsection 61(5) of the Act was filed; review of this application was suspended pending resolution of the registration and National Policy No. 11 issues;

6. on May 28, 1987 a final receipt was issued for the Fund's simplified prospectus, and the annual information form dated May 13, 1987, was accepted, following the resolution of the outstanding registration and National Policy No. 11 issues;

7. on June 11, 1987 a revised application for an extension of the lapse date under subsection 61(5) of the Act was filed;

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 61(5) of the Act that the times provided by subsection 61(2) of the Act, as they apply to the distribution pursuant to the Prospectus, are hereby extended to May 31, 1987.

DATED at Toronto this 20th day of October, 1987.

Headnote

Section 61(5) application - Extension of lapse date for a prospectus offering mutual fund units.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 61(2), 61(5).

Policies Cited

National Policy No. 11.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF PANCANA MINERALS LTD.

O R D E R
(Section 82)

UPON the application of PANCANA MINERALS LTD., a corporation incorporated under the laws of Canada, to the Ontario Securities Commission (the "Commission") for an order pursuant to section 82 of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act");

AND UPON it being represented that PANCANA MINERALS LTD. now has fewer than fifteen security holders whose latest address as shown on its books is in Ontario;

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 82 of the Act that PANCANA MINERALS LTD. is deemed to have ceased to be a reporting issuer for the purposes of the Act.

DATED at Toronto this 11th day of December, 1987.

Charles Salter

J. A. Geller

Headnote:

Issuer deemed to have ceased to be reporting issuer under the Act.

Statutes Cited:

Securities Act, R.S.O. 1980, c. 466, as amended, s. 82.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF SCEPTRE 1980-81 EXPLORATION PROGRAM

O R D E R
(Section 82)

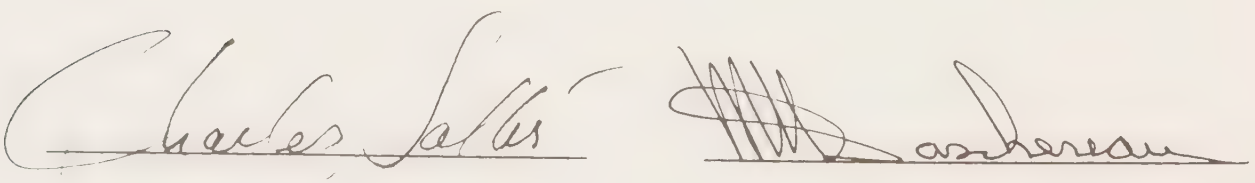
UPON the application of SCEPTRE 1980-81 EXPLORATION PROGRAM, a limited partnership formed under the laws of Alberta, to the Ontario Securities Commission (the "Commission") for an order pursuant to section 82 of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act");

AND UPON it being represented that SCEPTRE 1980-81 EXPLORATION PROGRAM now has fewer than fifteen security holders whose latest address as shown on its books is in Ontario;

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 82 of the Act that SCEPTRE 1980-81 EXPLORATION LIMITED is deemed to have ceased to be a reporting issuer for the purposes of the Act.

DATED at Toronto this 11th day of December, 1987.



Headnote:

Issuer deemed to have ceased to be reporting issuer under the Act.

Statutes Cited:

Securities Act, R.S.O. 1980, c. 466, as amended, s. 82.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF IMASCO LIMITED

O R D E R
(Clause 79(a)(i))

UPON the application of Imasco Limited (the "Issuer) to the Ontario Securities Commission (the "Commission") pursuant to Clause 79(a)(i) of the Securities Act, R.S.O. 1980, c.466, as amended (the "Act") for an order permitting the Issuer to omit from the audited financial statements for the year ending December 31, 1987, required to be filed under Part XVII of the Act, comparative statements for the corresponding period ended December 31, 1986;

AND UPON it being represented to the Commission that:

1. The financial year end of the Issuer's subsidiary, Canada Trustco Mortgage Company ("Canada Trustco"), is December 31, as required pursuant to the Loan Companies Act (Canada) to which Canada Trustco is subject;

2. The Issuer beieves it is expedient to have the same financial year end as Canada Trustco; by resolution of its Board of Directors, the Issuer changed, subject to regulatory approval, its financial year end from March 31 to December 31 in each year, beginning with December 31, 1987 so that the current financial year will be the nine-month period from April 1, 1987 to December 31, 1987;

3. The Issuer will include in its audited financial statements for the nine-month period ending December 31, 1987, comparative statements for the twelve-month period ended March 31, 1987;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest and that in the circumstances of this particular case there is adequate justification for so doing;

IT IS ORDERED pursuant to subsection 79(a)(i) of the Act that the Issuer be and hereby is permitted to omit from the audited financial statements for the nine-month period ending December 31, 1987, comparative statements for the corresponding period in 1986 and to include therein in replacement thereof comparative statements for the twelve-month period ended March 31, 1987.

DATED at Toronto this 14th day of December, 1987.

J.W. Beatty.

Headnote:

Issuer changed its financial year end from March 31 to December 31, effective December 31, 1987.

Issuer permitted to include in its audited financial statements for the nine-month period ending December 31, 1987 comparative statements for the twelve-month period ended March 31, 1987.

Statutes Cited:

Securities Act, R.S.O. 1980, c. 466, as amended, C.79(a)(i)

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF NORTHGATE LIMITED PARTNERSHIP

ORDER
(Subclause 79(b)(iii))

UPON the application of Northgate Limited Partnership (the "Partnership") to the Ontario Securities Commission (the "Commission") for an order pursuant to subclause 79(b)(iii) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act");

AND UPON reading the application and recommendation of the staff of the Commission;

AND UPON it being represented by the Partnership that:

1. the Partnership is a limited partnership organized under the laws of the Province of Manitoba and registered pursuant to the terms of the Limited Partnerships Act (Ontario);

2. 72086 Manitoba Ltd., the general partner in the Partnership, is a wholly-owned subsidiary of Shelter Corporation of Canada Limited ("Shelter"), the promoter of the Offering;

3. the Partnership is proposing to sell 180 Units of interest in the Partnership pursuant to a prospectus (the "Prospectus") filed by the Partnership, and therefore following the issuance of the receipt for the Prospectus the Partnership will be a reporting issuer in Ontario and subject to the various ongoing continuous disclosure obligations under the Act;

4. the Partnership has been organized to acquire the Northgate Shopping Centre located on McPhillips Street in Winnipeg, Manitoba;

....

5. the income of the Partnership will be derived from revenues from the operation of the Northgate Shopping Centre including rental, parking and other revenue. This revenue is unlikely to change materially from financial quarter to quarter; and

6. under a Services Agreement (the "Services Agreement"), Shelter will provide certain accounting and reporting functions to the Partnership, which functions would otherwise be performed by a general partner. These services will include the preparation of semi-annual unaudited financial statements and annual audited financial statements, audited by accountants selected by Shelter;

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to subclause 79(b)(iii) of the Act, that the Partnership is exempted from the requirements to file pursuant to subsection 76(1) of the Act and to send pursuant to section 78 of the Act, interim financial statements for the first and third quarters of each financial year of the Partnership, subject to the following terms and conditions:

A. this exemption shall be approved at the next annual meeting of the limited partners of the Partnership who are entitled to vote at the annual meeting, and the result of the vote shall be reported to the Commission within ten business days after the annual meeting; and

this exemption shall terminate thirty days after:

(i) termination of the Services Agreement; or

(ii) after the occurence of a material change in the affairs of the Partnership,

unless the Commission is satisfied that the exemption should continue.

DATED at Toronto this 11th day of December, 1987.

Headnote

Ruling granted pursuant to subclause 79(b)(iii) of the Securities Act exempting issuer from filing interim financial statements for first and third quarters of each financial year.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 79(b)(iii).

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Telex 06217548
TDX 76

IN THE MATTER OF THE SECURITES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF MGM GRAND, INC.

R U L I N G
(Subsection 73(1))

UPON the application of MGM Grand, Inc. (the "Issuer") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") that the issuance to former shareholders of MGM Grand Hotels, Inc. ("Old MGM") resident in Ontario of common shares of the Issuer (the "Shares") is not subject to section 24 or 52 of the Act;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON the Issuer having represented to the Commission that:

1. the Issuer is, and Old MGM was, a corporation incorporated pursuant to the laws of the State of Delaware;

2. the Issuer is not a reporting issuer pursuant to the Act;

3. by agreement dated as of April 25, 1986, the Issuer acquired all rights licensed to Old MGM by MGM/UA Entertainment Co. to use certain trademarks, trade names and logos throughout the world;

4. effective April 25, 1986, Bally Manufacturing Corporation merged with Old MGM (the "Merger") pursuant to an Amended and Restated Agreement and Plan of Merger dated as of November 15, 1985;

.... 2

5. although not obligated to do so, the Issuer is offering to former shareholders of Old MGM as at January 13, 1986 Shares of the Issuer on the basis of one Share for every 1.5 common and/or preferred shares of Old MGM (the "Offer");

6. as at January 13, 1986, the records of Old MGM indicate that there were 10,706 holders of common shares holding an aggregate of 22,803,194 common shares of which 46 shareholders holding 15,244 common shares were resident in Ontario, and that there were 1,499 holders of preferred shares holding an aggregate of 8,548,852 preferred shares of which 4 shareholders holding 469 preferred shares were resident in Ontario; and

7. the Offer is being made pursuant to a Form S-1 Registration Statement under the Securities Act of 1933 (United States), as amended;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 73(1) of the Act that the issuance by the Issuer of Shares to former shareholders of Old MGM resident in Ontario pursuant to the terms of the Offer is not subject to section 24 or 52 of the Act, provided that:

A. the Offer, and any amendment thereto, is made in compliance with the requirements of the Securities Act of 1933 (United States) as amended, and the rules of the Securities and Exchange Commission made pursuant thereto;

B. the Issuer provides to each former Old MGM shareholder resident in Ontario all material relating to the Offer, and any amendment thereto, which is sent by or on behalf of the Issuer to former shareholders of Old MGM resident in the United States of America and, in addition, provides a copy of this ruling together with disclosure in writing substantially in the form annexed hereto as Schedule A;

C. the Issuer files with the Commission a copy of all material provided by the Issuer to former shareholders of Old MGM resident in Ontario pursuant to this ruling; and

D. the first trade in the Shares purchased by former Old MGM shareholders resident in Ontario pursuant to this ruling is a distribution unless the first trade is made in accordance with subsection 71(4) of the Act as if such Shares had been acquired pursuant to one of the exemptions referred to in subsection 71(4) of the Act provided that such first trade shall not be a distribution if,

.... 3

(i) the trade is not made directly or indirectly, or beneficially, to an Ontario resident;

(ii) a provision exists in the transfer agency agreement between the transfer agent for the Shares and the Issuer in full force and effect at the time of reliance on this paragraph D of this ruling, requiring the transfer agent to not register any Shares of the Issuer in the name of any Ontario resident where such Shares are being transferred from an Ontario resident who obtained such Shares pursuant to the Offer and this ruling; and

(iii) share certificates issued by the Issuer to former Old MGM shareholders resident in Ontario pursuant to the purchase of Shares of the Issuer under the Offer are legended to evidence the non-transferability of such Shares to Ontario residents as described in subparagraph D(i) above.

DATED at Toronto this 21st day of December, 1987.

Charles Keller

J.W. Blanchard

SCHEDULE "A"

Purchasers resident in Ontario of common shares of MGM Grand, Inc. pursuant to an offering by such issuer described in a Form S-1 Registration Statement filed with the Securities and Exchange Commission will not have the benefit of a statutory right of action for rescission or damages under the Securities Act (Ontario). Purchasers will therefore have to rely upon any available common law rights of action, as well as upon remedies if any, that may be available under the laws of the United States of America. In particular, Ontario investors should have reference to section 12 of the Securities Act of 1933, as amended, (United States), and should consult with their respective legal advisors as to any available remedies.

Substantially all of the assets of MGM Grand, Inc., its directors and officers and certain experts named in the Registration Statement are located outside Canada. It may not be possible, therefore, for purchasers to effect service of process within Canada upon MGM Grand, Inc. or such persons, or to enforce against them judgements obtained in Canadian courts predicated upon civil liability provisions of the common law in Canada.

HEADNOTE

Subsection 73(1) - Issuance of shares of corporation (the "Issuer") to former shareholders resident in Ontario of corporation from which Issuer acquired certain property rights not subject to section 24 or 52 of Securities Act.

STATUTES CITED

Securities Act, RSO 1980, c. 466, as amended, ss. 24, 52, 73.

Securities Act of 1933 (United States).

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF TECHNIGEN CORPORATION

RULING
(Subsection 73(1))

UPON the application of Technigen Corporation ("TC") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") that the first trades by Mr. Lorne Howell ("Howell") of certain Class A common shares ("Class A Shares") of TC are not subject to section 24 or 52 of the Act;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON TC having represented to the Commission that:

1. TC is a company incorporated under the laws of Canada having its registered and records office located in Vancouver, British Columbia;

2. TC is not a reporting issuer under the Act but is a reporting issuer under the laws of British Columbia and the common shares of TC are listed on the Vancouver Stock Exchange (the "VSE");

3. pursuant to a series of agreements dated as of December 18, 1986, TC is proposing to effect the private placement of an aggregate of 48,925 units (the "Units"), each Unit consisting of 1 Class A Share and 1 Class B share purchase warrant (a "Class B Warrant") entitling the holder thereof to purchase one additional Class A Share at a price of $3.90 before December 18, 1987;

4. a total of 15 individuals have subscribed for Units under the private placement described above, one of whom, Howell, is resident in Ontario;

.... 2

5. TC relied on the registration and prospectus exemptions contained in paragraph 34(1)21 and clause 71(1)(p), respectively, of the Act in issuing Units to Mr. Howell;

6. under the terms of the agreement between TC and Mr. Howell (the "Howell Agreement"), the Class A Shares which form part of the Units and the Class A Shares to be issued upon exercise of the Class B Warrants are to be subject to a hold period of one year from the date of advance of funds by Howell to TC and such funds have been advanced and are being held in trust; and

7. the private placement by TC described above was approved by the VSE on January 30, 1987;

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 73(1) of the Act that the first trade by Howell in each Class A Share to be acquired by Howell pursuant to the Howell Agreement, including any Class A Shares which may be issued to Howell pursuant to the exercise of Class B Warrants is not subject to section 24 or 52 of the Act provided that:

A. one year has elapsed from the date of the Howell Agreement; and

B. such first trade is made through the facilities of the VSE in accordance with the rules and regulations thereof.

DATED at Toronto this 18th day of December, 1987.

Charles Salter

J.W. Bloom

Headnote

Application granted to permit Ontario resident private placee of shares of non-reporting issuer to resell shares on VSE after certain hold period.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 24, 34(1)21, 52, 71(1)(p), 73(1).

5. TC relied on the registration and prospectus exemptions contained in paragraph 34(1)21 and clause 71(1)(p), respectively, of the Act in issuing Units to Mr. Howell;

6. under the terms of the agreement between TC and Mr. Howell (the "Howell Agreement"), the Class A Shares which form part of the Units and the Class A Shares to be issued upon exercise of the Class B Warrants are to be subject to a hold period of one year from the date of advance of funds by Howell to TC and such funds have been advanced and are being held in trust; and

7. the private placement by TC described above was approved by the VSE on January 30, 1987;

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 73(1) of the Act that the first trade by Howell in each Class A Share to be acquired by Howell pursuant to the Howell Agreement, including any Class A Shares which may be issued to Howell pursuant to the exercise of Class B Warrants is not subject to section 24 or 52 of the Act provided that:

A. one year has elapsed from the date of the Howell Agreement; and

B. such first trade is made through the facilities of the VSE in accordance with the rules and regulations thereof.

DATED at Toronto this 18th day of December, 1987.

Charles Sellers

J.W. Bloom

Headnote

Application granted to permit Ontario resident private placee of shares of non-reporting issuer to resell shares on VSE after certain hold period.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 24, 34(1)21, 52, 71(1)(p), 73(1).

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF
DIVERSIFLOW RESOURCES LIMITED PARTNERSHIP VII

RULING
(Subsection 73(1))

UPON the application of Diversiflow Resources Limited Partnership VII (the "Partnership") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") that trades of up to 1,000 units of limited partnership interest by the Partnership (the "Units") are not subject to section 52 of the Act;

AND UPON reading the application and recommendation of the staff of the Commission;

AND UPON it being represented to the Commission that:

1. the Partnership is a limited partnership formed under the laws of the Province of Manitoba by a Partnership Agreement dated June 25, 1987;

2. the Partnership has been formed to invest in flow-through shares issued by public mining companies carrying on mineral exploration in Canada;

3. 2134861 Manitoba Corporation, a corporation incorporated under the provisions of The Corporations Act (Manitoba) on June 12, 1987, is the general partner of the Partnership;

4. neither the Partnership not the General Partner is a reporting issuer for the purposes of the Act. Neither units of the Partnership nor shares of the General Partner are listed on The Toronto Stock Exchange or trade over the counter;

.... 2

5. the Partnership proposes to offer through registered dealers, a minimum of 400 Units and a maximum of 1,000 Units at a price of $1,000 per Unit. Subscribers must subscribe for a minimum of 15 Units;

6. the ruling is required because an amendment to paragraph (c) of Section D of OSC Policy 6.1, which designates certain government incentive securities for the purposes of section 14(g) of the Regulations, to conform to the amendments made to the Income Tax Act respecting the availability to investors of tax benefits through the acquisition of flow-through shares, has not yet been promulgated; and

7. the Commission has granted rulings in similar situations including the rulings in Diversiflow Resources Limited Partnership V, March 6, 1987 OSCB 1478, Diversiflow Resources Limited Partnership VI, August 7, 1987, OSCB 4696, Oiltex International Limited Partnership 1987-1 ruling dated November 20, 1987;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 73(1) of the Act that the trades by the Partnership of the Units are not subject to section 52 of the Act subject to the following terms and conditions:

A. in making such trades the Partnership shall comply with the requirements of paragraph 14(g) of the Regulations to the Act as if such trades had been made pursuant to the provisions of that paragraph; and

B. the first trade in the Units acquired by a purchaser pursuant to this ruling is a distribution unless such first trade is made in accordance with subsection 71(4) of the Act as if the Units had been acquired by such purchaser pursuant to clause 71(1)(d) of the Act and such first trade is not a distribution as defined in subparagraph (iii) of paragraph 11 of subsection 1(1) of the Act.

DATED at Toronto this 9th day of December, 1987.

Headnote

Trades in limited partnership units exempt from section 52 of the Act - transaction to be carried out in accordance with the requirements of paragraph 14(g) of the Regulations as if sold pursuant to that paragraph - Ruling required due to change in the structure of flow-through share offerings under the Income Tax Act (Canada) which results in such offerings no longer coming within the definition of "government incentive securities".

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 52, 71(1)(d), 71(4), 73(1).

Regulations Cited

Regulation under the Securities Act, R.R.O. 1980, Reg. 910, as am., paragraph 14(g).

Rulings Cited

Diversiflow Resources Limited Partnership V, March 6, 1987 OSCB 1478.

Diversiflow Resources Limited Partnership VI, August 7, 1987, OSCB 4696.

Oiltex International Limited Partnership 1987-1 ruling dated November 20, 1987.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF
MASSIVE RESOURCES LIMITED

R U L I N G
(Subsection 73(1))

UPON the application of Massive Resources Limited ("Massive") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended, (the "Act") that the proposed trade by Massive to Mr. T. Tedd Sahaidak ("Sahaidak") of 37,500 common shares of Massive is not subject to section 24 and 52 of the Act;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON Massive having represented to the Commission that:

1. Massive is a corporation incorporated under the laws of the Province of British Columbia and is a reporting issuer under the Act not in default of any requirement of the Act and the regulation made under the Act (the "Regulation");

2. the authorized capital of Massive consists of 50,000,000 common shares of which 6,299,871 common shares were issued and outstanding as at October 22, 1987;

3. the common shares of Massive are listed on the Vancouver Stock Exchange and the Montreal Exchange has conditionally approved the listing of common shares and Warrants of Massive;

.... /2

4. Sahaidak is a former director and officer of Massive who on July 21, 1986 commenced an action against Massive in the Supreme Court of Ontario for an aggregate of 68,000 common shares or alternatively $272,000, and against present and former directors and officers of Massive for damages of $272,000 each and punitive damages of $100,000 each (the "Action") arising out of alleged agreements between Sahaidak and Massive;

5. on November 5, 1987 Massive and Sahaidak agreed, subject to regulatory approval, to settle the Action on the basis of Massive issuing to Sahaidak 37,500 common shares of Massive;

6. on November 5, 1987 the closing price of the common shares of Massive on the Vancouver Stock Exchange was $1.20;

7. the settlement of the Action on the foregoing basis is, in the opinion of management of Massive, in the best interests of the Company;

AND UPON being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 73(1) of the Act that the issuance of 37,500 common shares by Massive to Sahaidak shall not be subject to sections 24 and 52 of the Act, subject to the following terms and conditions:

1. Massive provides Sahaidak with a copy of this ruling together with a statement that as a consequence of this ruling, certain protections, rights and remedies provided by the Act, including statutory rights of rescission or damages, will not be available to him; and

2. the first trade in the common shares of Massive acquired by Sahaidak pursuant to this ruling shall be a distribution, unless such first trade is made in accordance with the provisions of subsection 71(5) of the Act and section 18a of the Regulation as if the common shares had been acquired pursuant to a prospectus exemption referred to in subsection 71(5) of the Act.

DATED at Toronto this 17th day of December, 1987.

Charles Sellers

JF/pk

HEADNOTE

Application granted to permit issuer to issue shares to former director and officer in settlement of action commenced against issuer.

STATUTES CITED

Securities Act, R.S.O. 1980, c. 466, as am., ss. 24, 52, 71(5), 73(1).

REGULATIONS CITED

Regulation under Securities Act, R.R.O. 1980, Reg.910, as am., s. 18a.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF NATIONAL EXPLORATION FUND 1987
LIMITED PARTNERSHIP AND NATIONAL EXPLORATION FUND 1988
LIMITED PARTNERSHIP

RULING
(Subsection 73(1))

UPON the application of National Exploration Fund 1987 Limited Partnership ("NEF 1987") and National Exploration Fund 1988 Limited Partnership ("NEF 1988") (collectively the "Partnerships") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466 as amended (the"Act") that first trades by limited partners (the "Limited Partners") of the Partnerships in certain securities are not subject to section 52 of the Act;

AND UPON the Partnerships have represented to the Commission that:

1. each of the Partnerships is a limited partnership organized under the laws of Ontario and whose registered office is in Ontario;

2. the Partnerships have filed a final prospectus dated December 11, 1987 (the "Prospectus") in connection with an offering of units of limited partnership interest in the Partnerships (the "Offering");

3. the Director of the Commission issued a receipt dated December 14, 1987 for the Prospectus and accordingly the Partnerships are reporting issuers under the Act;

4. the general partner of the Partnerships is Skeltrac Resource Management Corporation (the "General Partner");

.... 2

5. the General Partner has caused or will cause the Partnerships to enter into agreements (the "Resource Agreements") with certain public resource companies ("Public Resource Companies"), which may or may not be reporting issuers under the Act, engaged in the exploration for, or development or mining of mineral resource properties in Canada;

6. pursuant to the Resource Agreements the Public Resource Companies will issue to the Partnerships an undivided interest in flow-through shares (the "Flow-Through Shares"), the Public Resource Companies will agree to incur Canadian exploration expenses as defined in paragraph 66.1(6)(a) of the Income Tax Act (Canada) and to renounce such Canadian exploration expenses to the relevant Partnership and the Partnerships and the Public Resource Companies will agree that the Flow-Through Shares shall be exchanged for divided interests in common shares of such Public Resource Companies upon the dissolution of the Partnerships;

7. it is the intention of NEF 1987 that NEF 1987 will be dissolved on or before December 31, 1988 and it is the intention of NEF 1988 that NEF 1988 will be dissolved on or before April 30, 1989, in each case in order to distribute on a pro rata basis undivided interests in the assets of the relevant Partnership, being the Flow-Through Shares, to the Limited Partners of record on the date of dissolution and thereafter the General Partner will transfer, the Flow-Through Shares on behalf of the Limited Partners, to the Public Resource Companies in exchange for divided interests in shares of the same class of such Public Resource Companies (the "Exchanged Shares");

8. The partnership agreements for each of the Partnerships (the "Partnership Agreements") provide that in entering into Resource Agreements on behalf of the Partnerships the General Partner shall observe certain criteria including the following;

> "(a) Resource Agreements will be entered into only with Public Resource Companies which are not in default in respect of the requirements of applicable regulatory authorities and which covenant to comply with such requirements during the term of their respective Resource Agreements. The Partnership will enter into Resource Agreements only with Public Resource Companies which either (i) have had a satisfactory record of regulatory compliance or (ii) in the opinion of the General Partner, will comply with applicable regulatory requirements during the term of their respective Resource Agreements;

.... 3

(b) at least 75% of Available Funds will be invested in Public Resource Companies whose common shares are listed on a Canadian stock exchange, and at least 50% of Available Funds will be invested in Public Resource Companies whose common shares are listed on The Toronto Stock Exchange;

(c) Resource Agreements will not be entered into with Public Resource Companies which are not reporting issuers in Ontario unless the common shares of such Public Resource Companies are listed on a Canadian stock exchange;

(d) at least 60% of Available Funds may be invested in Public Resource Companies whose common shares have a market capitalization (market value per share times the number of shares outstanding after giving effect to the maximum number of shares issuable to the Partnership under the Resource Agreement) at the date of the Resource Agreement of at least $5 million;"

9. The Partnership Agreements also provide:

" .... in the event that the Shares or Flow-Through Shares of any Public Resource Companies are subject to resale restrictions, then the General Partner shall use its best efforts to dispose of such shares for cash prior to the dissolution of the Partnership."

AND UPON reading the application and recommendation of staff of the Commission;

AND UPON being satisfied that to so rule would not be prejudicial to the public interest;

NOW THEREFORE IT IS RULED pursuant to subsection 73(1) of the Act that the first trade by a Limited Partner in each Exchanged Share issued by a Public Resource Company which is not a reporting issuer under the Act is not subject to section 52 of the Act provided that:

A. a period of one year has elapsed from the date of execution of the Resource Agreement pursuant to which the Flow-Through Shares of such Public Resource Company were issued;

B. the trade is made through the facilities of a stock exchange located outside Ontario on which such Exchanged Share is listed;

.... 4

C. the trade is not made from the holdings of a person described in subparagraph (iii) of paragraph 11 of subsection 1(1) of the Act; and

D. each such Public Resource Company undertake to the Commission that, commencing within 30 days from the date of execution of the Resource Agreement pursuant to which the Flow-Through Shares of such Public Resource Company have been or will be issued, the Public Resource Company shall file with the Commission and send to the Limited Partners and its shareholders all documents thereafter required to be filed with regulatory authorities or sent to its shareholders, as the case may be, by legislation, regulation or the regulatory authorities in the jurisdictions in which the stock exchanges on which the shares of such Public Resource Company are listed for trading within the time periods required therein or thereby, as the case may be.

DATED at Toronto this 17th day of December, 1987.

J. W. Bowie

[illegible]

Headnote

Limited partnership offerings where proceeds used to invest in flow-through shares of public resource companies which may or may not be reporting issuers under the Act - Limited partners upon dissolution of the limited partnership to receive undivided interests in flow-through shares of public resource companies which are to be exchanged for divided interests in shares of public resource companies - First trade by a limited partner resident in Ontario in shares of a public resource company not a reporting issuer under the act exempted from section 52 of the Act on certain terms and conditions.

Statutes Cited

Securities Act, R.S.O., 1980, c. 466, as am., ss. 52, 73.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF ANTHES INDUSTRIES INC.

RULING
(Subsection 73(1))

UPON THE APPLICATION OF Anthes Industries Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, C. 466 as amended (the "Act") that the issue, distribution and resale of preferred and common shares of the Applicant incidental to a reorganization of the Applicant not be subject to section 24 or 52 of the Act;

AND UPON the Applicant having represented to the Commission that:

1. the Applicant was continued under the Canada Business Corporations Act (the "CBCA") in early 1981, is a reporting issuer under the Act with its common shares listed on The Toronto Stock Exchange and is not in default of any requirement of the Act or Regulation 910 made thereunder;

2. the Applicant is in the course of a reorganization (the "Reorganization") as described in a Management Proxy Circular (the "Circular") dated December 15, 1987 to be mailed to the Applicant's shareholders in connection with a special meeting of shareholders to be held on January 8, 1988 to approve, inter alia, the Reorganization;

3. Anthes Equipment Limited ("Equipment") is a corporation which was incorporated under the CBCA, all the common shares of which are held by the Applicant;

.... 2

4. the purpose of the Reorganization is: (i) the reduction of the indebtedness of the Applicant and of its principal subsidiary, Equipment, by way of recapitalization and, with respect to certain bank indebtedness, by way of prepayment and forgiveness; (ii) the rescheduling of the Applicant's dividend and redemption obligations with respect to the issued and outstanding Convertible Class A Preferred Shares, 1981 Series (the "Old Preferred Shares"); (iii) the modification or elimination of Equipment's dividend and redemption obligations with respect to certain bank-held preference shares of Equipment; and (iv) the elimination of the Applicants' deficit so that it will have the legal ability to pay dividends and redeem shares; and

5. in furtherance of the Reorganization, the Applicant entered into an agreement with The Molson Companies Limited ("Molson") for the purchase by the Applicant from Molson of 1,000 6% cumulative redeemable non-voting Class A preference shares (the "Equipment Shares") of Equipment, in consideration for which the Applicant will issue to Molson 9,175 Cumulative Redeemable Convertible Retractable Class I Preferred Shares, Series B ("Series B Preferred Shares");

AND UPON the Applicant having represented that the proposed Reorganization is subject to obtaining the necessary shareholder consents;

AND UPON being satisfied that to so rule would not be prejudicial to the public interest;

IT IS RULED, pursuant to subsection 73(1) of the Act, that the issuance by the Applicant to Molson of 9,175 Series B Preferred Shares in connection with the purchase by the Applicant from Molson of the Equipment Shares in furtherance of the Reorganization of the Applicant is not subject to the requirements of sections 24 or 52 of the Act.

DATED at Toronto this 16th day of December, 1987.

Headnote

Subsection 73(1) application - exemption granted from requirements of sections 24 and 52 of the Act for distribution of securities to a preferred shareholder of a wholly owned subsidiary of the applicant in exchange for preferred shares of the applicant as part of a capital reorganization.

Statutes Cited

Securities Act, R. S. O. 1980, c. 466, as am., Sections 24 and 52, subparagraphs 34(1)12(ii) and 71(1)f(ii), subsection 73(1).

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF GORE & STORRIE LIMITED

AND

IN THE MATTER OF G & S HOLDINGS CORPORATION

RULING
(Subsection 73(1))

UPON the application of Gore & Storrie Limited ("G&S") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") that trades made among the full-time employees or former full-time employees of G&S or of G&S Holdings Corporation ("Holdings") or of any affiliate of G&S or of Holdings in securities of Holdings prior to such time as Holdings becomes a reporting issuer and has been a reporting issuer for twelve months, are not subject to section 24 or 52 of the Act;

AND UPON G&S having represented to the Commission that:

1. G&S is an Ontario corporation which is a private company as defined in paragraph 1(1)31 of the Act;

2. Holdings is an Ontario corporation which will own all of the issued and outstanding shares of G&S upon completion of the amalgamation described in paragraph 3 below;

3. pursuant to an amalgamation to be effective on January 1, 1988, shareholders of G&S will receive, in exchange for their shares of G&S, shares of Holdings on a basis which will result in the holding, immediately after the amalgamation, subject to the possible exercise of dissent and appraisal remedies, by each of the shareholders of G&S of the same number and percentage of outstanding common shares of Holdings as were held by the respective holders of common shares of G&S immediately prior to the amalgamation;

.... 2

4. the authorized capital of Holdings consists of an unlimited number of common shares of which, subject to the possible exercise of dissent and appraisal remedies, 16,405 common shares will be issued and outstanding upon completion of the above-mentioned amalgamation;

5. all of the issued and outstanding shares of Holdings will be held by full-time employees or former full-time employees of G&S or of Holdings or of any affiliate of G&S or of Holdings;

6. each of the shareholders of Holdings will be a party to a shareholders' agreement which restricts the transfer of shares of Holdings; and

7. the Articles of Amalgamation of Holdings will contain restrictions on the transfer of shares of Holdings and, furthermore, will contain restrictions substantially similar to the restrictions set out in subparagraphs (b) and (c) of paragraph A of this ruling;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED, pursuant to subsection 73(1) of the Act, that the following trades are not subject to sections 24 or 52 of the Act:

A. any trade made in securities of Holdings before Holdings becomes a reporting issuer, provided that at the time of the trade:

   (a) the right to transfer shares of Holdings is restricted;

   (b) the number of shareholders of Holdings, exclusive of persons who are in its employment or the employment of any affiliate of Holdings and exclusive of persons who, having been formerly in the employment of Holdings or of any affiliate of Holdings, were, while in that employment, and have continued after the termination of that employment to be, shareholders of Holdings, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder; the term "affiliate" as used in this ruling shall have the meaning attributed to it under the Business Corporations Act, 1982, S.O. 1982, c. 4, as amended from time to time;

   (c) any invitation to the public to subscribe for securities of Holdings is prohibited; and

   (d) the securities which are the subject of the trade are not offered for sale to the public;

.... 3

B. any trade made, on or after the date upon which Holdings becomes a reporting issuer and prior to twelve months after the date upon which Holdings becomes a reporting issuer, in securities of Holdings which are issued and outstanding on the date Holdings becomes a reporting issuer, provided that at the time of the trade:

(a) Holdings is a reporting issuer and is not in default of any requirement of the Act or the regulations made thereunder (the "Regulation");

(b) disclosure to the Commission has been made of the distribution of the securities which are the subject of the trade;

(c) no effort is made to prepare the market or to create a demand for the securities and no extraordinary commission or consideration is paid in respect of the trade; and

(d) the trade is made to a full-time employee or former full-time employee of G&S or of Holdings or of any affiliate of G&S or of Holdings,

provided that the first trade, not otherwise permitted by this ruling, in any securities acquired pursuant to this ruling, is a distribution unless such first trade is made in accordance with the provisions of subsection 71(5) of the Act and subsection 18(a) of the Regulation as if such provisions were applicable thereto.

DATED at Toronto, this 15th day of December, 1987.

Paul L. Waitzer

Headnote

Subsection 73(1) - Corporate reorganization to occur - Ruling permitting trades between employees as if Holdings corporation were a private company until such time as Holdings corporation becomes a reporting issuer under the Act and remains one for twelve months.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 1(1)31, 24, 52, 71(5), 73(1).

Regulations Cited

Regulation under Securities Act, R.R.O. 1980, Reg. 910, as am., ss. 18(a).

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF
McDONALD'S RESTAURANTS OF CANADA LIMITED

RULING
(Subsection 73(1))

UPON the application of McDonald's Restaurants of Canada Limited ("McDonald's") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") that trades by McDonald's in connection with McDonald's Employee Stock Option Plan (the "Plan") are not subject to sections 24 and 52 of the Act;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON McDonald's having represented to the Commission that:

1. McDonald's is a corporation incorporated under the laws of the Province of Ontario and is a wholly-owned, indirect subsidiary of McDonald's Corporation ("McDonald's U.S."), a corporation incorporated under the laws of the State of Delaware;

2. McDonald's U.S. is a reporting issuer under the Act, its common shares are registered under the U.S. Securities Exchange Act of 1934 and it is not in default of any requirement of or under the Act or of any similar legislation to which it is subject;

3. McDonald's U.S. has outstanding approximately 199,631,138 shares of common stock which are listed and posted for trading on the New York, Midwest, Pacific, Frankfurt, Munich, Paris, Tokyo and Toronto stock exchanges;

.... 2

4. McDonald's wishes to create the Plan under which options to purchase issued and outstanding shares of common stock of McDonald's U.S. will be granted by McDonald's to certain employees, officers and directors of McDonald's and its affiliates (the "Employees");

5. McDonald's currently has approximately 421 Employees in five provinces, including approximately 219 in Ontario, who will be eligible to be granted options pursuant to the Plan;

6. options granted pursuant to the Plan are non-transferable;

7. an Employee wishing to exercise an option will notify McDonald's of his intention to do so and will pay the exercise price for the shares in respect of which he is exercising the option, which price will not be less than the fair market value of the optioned McDonald's U.S. shares on the date that the option was granted;

8. on the exercise of an option, the McDonald's U.S. shares will be purchased by the Royal Trust Corporation of Canada (the "Trustee") through the facilities of the New York or Toronto stock exchange pursuant to a trust agreement to be entered into by and between McDonald's and the Trustee; and

9. McDonald's will pay to the Plan, on the Employee's behalf, the difference between the purchase price and the option price paid by the Employee and will also pay all administration costs of the Plan, including brokerage fees;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 73(1) of the Act that trades by McDonald's in granting options to purchase issued and outstanding common shares of McDonald's U.S. pursuant to the Plan are not subject to sections 24 and 52 of the Act;

AND IT IS FURTHER RULED pursuant to subsection 73(1) of the Act that trades by McDonald's in common shares of McDonald's U.S. upon the exercise of the options granted by it pursuant to the Plan and in accordance with the terms of the Plan are not subject to section 24 of the Act.

DATED at Toronto this 11th day of December, 1987.

Headnote

Applicant a wholly-owned indirect subsidiary of U.S. parent McDonald's Corporation - U.S. parent corporation a reporting issuer under the Act - Applicant proposes to create and fund employee stock option plan under which employees and directors will be granted options to purchase common shares of U.S. parent corporation - Rulings that trades in options issued by Applicant are not subject to sections 24 and 52 of the Act and that trades in common shares of U.S. parent corporation in connection with the plan are not subject to section 24 of the Act.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as amended, ss. 24, 52, 73(1).

U.S. Securities Exchange Act of 1934.

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF GENUS EQUITY CORPORATION

RULING
(Subsection 73(1))

UPON the application of Genus Equity Corporation (the "Applicant") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act"), that the issuance of 100,000 common shares of the Applicant to Loewen, Ondaatje, McCutcheon & Company Limited ("LOM") is not subject to section 52 of the Act;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. on October 29, 1986, the Applicant mailed to the holders of outstanding common shares and Class A shares of Standard-Modern Technologies Corporation ("Standard-Modern") resident in Canada an offer (the "Offer") to acquire all such shares on the basis of one (1) common share of the Applicant for each common share of Standard-Modern and one (1) common share of the Applicant for each Class A share of Standard-Modern; and

2. the Applicant appointed LOM as dealer manager to advise it in connection with the Offer and in consideration of such services, the Applicant agreed to pay LOM $100,000 in cash and to issue 100,000 common shares of the Applicant to LOM subject to the granting of the order requested herein;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED, pursuant to subsection 73(1) of the Act that the issuance of 100,000 common shares of the Applicant to LOM shall not be subject to section 52 of the Act provided that the first trade in such common shares is a distribution unless such first trade is made in accordance with the provisions of subsection 71(5) of the Act as if the shares had been acquired pursuant to one of the exemptions referred to in subsection 71(5) of the Act.

DATED at Toronto this 11th day of December, 1987.

Charles Salter

Paul L. Waitzer

Headnote

Application granted to permit issuance of shares to dealer manager for services rendered in connection with a takeover bid.

Statutes Cited

Securites Act, R. S. O. 1980, c. 466, as am., 24, 52, 73(1)

Regulations Cited

Policies Cited

Issues Cited

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**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466**

AND

**IN THE MATTER OF
CT FINANCIAL SERVICES INC.
AND CANADA TRUSTCO MORTGAGE COMPANY**

RULING
(Section 73)

ORDER
(Section 79)

UPON the application of CT Financial Services Inc. ("CT Financial") on its own behalf and on behalf of Canada Trustco Mortgage Company ("Canada Trustco") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466 as amended (the "Act") and for an order pursuant to section 79 of the Act, in connection with a proposed reorganization involving Canada Trustco;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON it being represented to the Commission that:

1. CT Financial was continued under the Canada Business Corporations Act by a certificate and articles of continuance dated November 5, 1987;

2. The sole material asset of CT Financial is 38,742,922 common shares of Canada Trustco being approximately 98.6% of the issued and outstanding common shares of Canada Trustco;

3. Prior to September 20, 1987, Imasco Limited through subsidiaries owned 38,742,922 common shares of Canada Trustco, being approximately 98.6% of the outstanding common shares of Canada Trustco. As a result of a corporate reorganization, these shares were, in effect, transferred to CT Financial in exchange for 116,228,766 common shares of CT Financial which are all the issued and outstanding shares of CT Financial;

4. Canada Trustco and CT Financial propose to effect a capital reorganization (the "Reorganization") which will result in the existing minority shareholders of Canada Trustco (except for residents of the United States) exchanging their common shares of Canada Trustco for that number of common shares of CT Financial which will maintain the same level of participation in CT Financial as the minority shareholders held in Canada Trustco and on the same share-for-share basis upon which Imasco Limited became a shareholder of CT Financial;

5. Initially, the common shares of CT Financial will provide their holders with the same ownership interest in a consolidated group of corporations as is currently provided by the present common shares of Canada Trustco;

6. The Reorganization involves the following steps:

   i. all the issued and outstanding common shares of Canada Trustco will be reclassified and converted into a series of second preference shares to be designated as Redeemable, Retractable, Convertible, Exchangeable Preference Shares Series 2 (the "Exchangeable Shares") on the basis of one Exchangeable Share for twenty-five common shares of Canada Trustco;

   ii. a new class of 100,000,000 common shares of Canada Trustco with a par value of $1 each will be created;

   iii. a holder of not less than 90% of the Exchangeable Shares (i.e. CT Financial), will convert the Exchangeable Shares it receives into the newly created common shares of Canada Trustco on the basis of one Exchangeable Share for twenty-five of the newly-created common shares;

iv. the remaining Exchangeable Shares (i.e. those issued to the current minority common shareholders), except for those held by U.S. residents, will be automatically exchanged for common shares of CT Financial on the basis of seventy-five common shares of CT Financial for each Exchangeable Share;

v. the holders of Exchangeable Shares who are residents of the United States, in lieu of receiving CT Financial common shares on the exchange of the Exchangeable Shares, will receive cash based upon the market price of Canada Trustco common shares;

vi. as a result of the Reorganization, CT Financial will own all the issued and outstanding Exchangeable Shares and the newly-created common shares of Canada Trustco;

vii. on the effective date of the Reorganization the common shares of Canada Trustco will be delisted on the Toronto and Montreal Stock Exchanges, and the common shares of CT Financial will be listed thereon;

7. To become effective, the Reorganization will require the approval of the common shareholders of Canada Trustco and the approval of the Minister of Finance (Canada) pursuant to the provisions of the Loan Companies Act (Canada);

8. Canada Trustco is a reporting issuer under the Act and is not on the list of defaulting reporting issuers maintained pursuant to subsection 71(9) of the Act;

9. After the Reorganization is completed, and upon the listing of its common shares on The Toronto Stock Exchange and the Montreal Exchange, CT Financial will become a reporting issuer under the Act; and

10. The Toronto and Montreal Stock Exchanges have confirmed that subject to the usual conditions the common shares of CT Financial will be listed.

AND UPON being satisfied that to make this ruling would not be prejudicial to the public interest;

1. Ruling Pursuant to Subsection 73

IT IS RULED pursuant to subsection 73(1) of the Act that:

(a) the trade by CT Financial of common shares of CT Financial to the holders of Exchangeable Shares of Canada Trustco in exchange for such securities shall not be subject to section 24 or 52 of the Act; and

(a) the first trade in the common shares of CT Financial acquired by a former holder of Exchangeable Shares of Canada Trustco shall not be subject to sections 24 or 52 of the Act provided that:

i. on the day of such first trade, CT Financial is a reporting issuer under the Act and not in default of any requirement of the Act or the regulations;

ii. disclosure is made to the Commission on or before the third business day following the effective date of the Reorganization of the issuance of common shares of CT Fianancial; and

iii. no unusual effort is made to prepare the market or to create a demand for the common shares of CT Financial and no extraordinary commission or consideration is paid in respect of the trade.

2. Orders Pursuant to Section 79

IT IS ORDERED THAT:

(a) in respect of the filing requirements of CT Financial pursuant to clause 76(1)(b) of the Act, CT Financial be permitted to omit filing its comparative financial statements for interim periods ended at any time prior to the effective date of the Reorganization provided that CT Financial files appropriate comparative financial information of Canada Trustco;

(b) in respect of the filing requirements of CT Financial pursuant to section 77 of the Act for the end of its current financial year and the end of its financial year following its current financial year, CT Financial be permitted to omit filing its comparative financial statements for financial years ended at any

time prior to the effective date of the Reorganization, provided that CT Financial files appropriate comparative financial information of Canada Trustco; and

(c) for greater certainty with respect to the delivery requirements of section 78 of the Act, the financial statements delivered by CT Financial pursuant to section 78 shall be those financial statements permitted to be filed by this Order.

DATED at Toronto this 17th day of November, 1987.

Headnote

Reorganization providing minority shareholders of A with same ownership interest in B on a consolidated basis - Trade by B to former shareholders of A not subject to sections 24 and 52 of the Act - First trade by former shareholders of A in their shares of B not subject to sections 24 and 52 of the Act - B permitted to file comparative financial statements of A for interim and annual periods prior to the reorganization.

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IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF
NORTH AMERICAN VAN LINES, INC.

RULING
(Subsection 73(1))

UPON the application of North American Van Lines, Inc. ("NAVL") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") that certain trades and distributions in respect of the North American Van Lines, Inc. Employee Savings Plan and Trust ("NEST") are not subject to section 24 or 52 of the Act;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON NAVL having represented to the Commission that:

1. NAVL is incorporated under the laws of the State of Delaware and is not a reporting issuer under the Act;

2. NAVL has an authorized, and issued and outstanding, share capital of 1000 common shares, all of which were purchased on June 21, 1985 by Norfolk Southern Corporation ("Norfolk") from PepsiCo, Inc. ("PepsiCo");

3. the common stock of Norfolk and capital stock of PepsiCo are listed for trading on the New York Stock Exchange, and both corporations are subject to all informational requirements of The Securities Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934;

.... /2

4. NAVL proposes to permit up to five employees of NAVL, or of its affiliates, resident in Ontario to participate in NEST;

5. NEST is currently offered in the U.S.A. pursuant to a Form S-8 Registration Statement filed with the SEC effective October 21, 1985 and amended by filing dated December 2, 1986;

6. NEST allows eligible employees of NAVL or its affiliates (the "Eligible Employees") to save a portion of their salary on a tax-favoured basis through investment in common stock of Norfolk (and formerly in the capital stock of PepsiCo), or in an income fund, a money market fund or an equity fund;

7. NEST is administered by the Board of Directors of NAVL (the "Plan Administrator") which has appointed a trustee (the "Trustee") to deal with the offered securities in accordance with instructions of the Eligible Employees under NEST; and

8. there are currently 2,445 Eligible Employees of which 954 actually participate in NEST;

AND UPON being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 73(1) of the Act that any trade or distribution in securities by or to an Eligible Employee resident in Ontario, or by or to NAVL, the Plan Administrator and the Trustee of NEST on behalf of any Eligible Employee resident in Ontario, arising out the operations of NEST, is not subject to section 24 or 52 of the Act, provided that:

A. such trade or distribution is made in full compliance with all applicable federal and state securities legislation of the U.S.A.;

B. NAVL will deliver to Eligible Employees resident in Ontario all disclosure material relevant to NEST required to be sent to Eligible Employees in the United States pursuant to federal and state securities legislation of the U.S.A.; and

C. the number of Eligible Employees resident in Ontario participating in NEST is not more than 5.

DATED at Toronto this 7th day of December, 1987.

Charles Salter

J.M. Anderson

HEADNOTE

Subsection 73(1) - Various trades and distributions pursuant to employees savings and investment plan established through a trust by a Delaware corporation not subject to section 24 or 52 of Securities Act respecting de minimis number of eligible employees resident in Ontario.

STATUTES CITED

Securities Act, R.S.O. 1980, c. 466, as am., ss. 24, 52, 73.

Securities and Exchange Act, 1934.

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IN THE MATTER OF THE SECURITES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF
C.M. OLIVER AND COMPANY LIMITED

RULING
(Subsection 73(1))

UPON the application (the "Application") of C.M. Oliver and Company Limited ("Oliver") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act"), to exempt Oliver from section 24 of the Act which would otherwise require Oliver to be registered as an underwriter in Ontario in connection with a distribution of securities in Ontario (the "Offering") pursuant to a prospectus (the "Prospectus") of Pan Union Petroleum Corporation ("Pan Union") offering units in the capital of Pan Union, each unit consisting of 200 Class A Common shares, 450 Class B Convertible flow-through shares and an estimated $1,380 principal amount of Convertible Debentures;

AND UPON reading the Application and the recommendation of staff of the Commission;

AND UPON Oliver having represented to the Commission that:

1. Oliver is acting as an agent on behalf of Pan Union to obtain subscriptions for securities offered pursuant to the Prospectus;

2. Oliver is not registered as an underwriter in the Province of Ontario but is currently registered as an investment dealer pursuant to the requirements of the Securities Act (British Columbia) S.B.C. 1985, c.83 (the "British Columbia Act");

3. by virtue of subsection 13(2)(a) of the Regulation to the British Columbia Act, Oliver is, as an investment dealer, deemed to be registered as an underwriter in British Columbia;

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4. Oliver is not in default of any of the provisions of the British Columbia Act or the Regulation made thereunder;

5. Oliver is a member of the Vancouver Stock Exchange, the Alberta Stock Exchange, the Montreal Exchange and the Investment Dealers' Association of Canada;

6. Oliver satisfies the capital and bonding or insurance requirements contained in sections 22 and 23 of the Regulation made under the British Columbia Act and has acted as an investment dealer in British Columbia for approximately 80 years;

7. Oliver will distribute the securities offered under the Prospectus through a sub-agent or sub-agents registered as underwriters in the Province of Ontario, as contemplated by Policy 5.1, and will appoint FC Services Inc. ("FC") of Suite 4100, Toronto-Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1C1, as its agent for service in the Province of Ontario and will, for the purpose of Ontario investors exercising any rights granted to them under the Act, attorn to the jurisdiction of the Province of Ontario; and

8. Pan Union is a British Columbia corporation which is, for the purposes of Policy 5.1, a non-Ontario issuer;

AND UPON the Commission being of the opinion that it would not be prejudicial to the public interest to do so;

IT IS RULED pursuant to subsection 73(1) of the Act that Oliver may act as the agent of Pan Union in connection with the Offering without complying with section 24 of the Act provided that:

A. Oliver uses and the Prospectus discloses that it will use an agent or sub-agents registered under the Act as underwriters to distribute the securities offered by the Prospectus in Ontario;

B. the Prospectus discloses that for the purpose of any subscriber resident in Ontario who wishes to exercise his statutory rights against Oliver, FC has been appointed as Oliver's agent for service in Ontario and that Oliver has attorned to the jurisdiction of Ontario with respect to such claims; and

C. Oliver continues to be registered in British Columbia as an investment dealer not in default of any provisions of the British Columbia Act or the regulations passed thereunder.

DATED at Toronto this 3rd day of December, 1987.

Headnote

Non-Ontario issuer using subscription agent registered in Alberta but not Ontario - Agent signing prospectus certificate and using Ontario registrants as sub-agents - Ruling exempting agent from section 24.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 24, 73.

Policies Cited

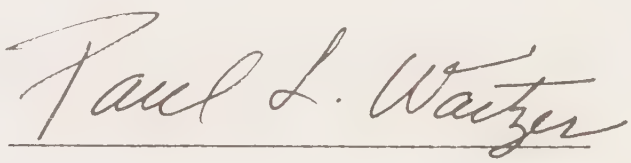
OSC Policy 5.1, Item 12.

granted December 9, 1987, Equion Securities Limited and 1987 Tap-III Mineral Exploration Limited Partnership and Tap Capital Corp. granted November 2, 1987, Kingwel Securities Limited and MTC Oil & Gas Flow-Through Limited Partnership - 1986, October 16, 1987, OSCB 5954.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 208 of the Regulation that the Agent be and it is hereby exempted from the requirement provided for in clause 199(1)(b) of the Regulation in connection with the distribution by it of the Units under the Prospectus.

DATED at Toronto this 11th day of December, 1987.



Headnote

Registrant relieved of co-underwriter requirement in clause 199(1)(b) of the Regulation provided that prospective investors receive copy of policy statement required to be filed with Commission under subsection 198(1) of the Regulation.

Regulations Cited

Regulation 910 of Revised Regulation of Ontario, 1980 under Securities Act, R.S.O. 1980, c. 466, as am., ss. 198(1), 199(1), 208.

Orders Cited

Galcor Capital Corporation and Diversiflow Resources Limited Partnership XI granted December 9, 1987.

Equion Securities Limited and 1987 Tap III Mineral Exploration Limited Partnership and Tap Capital Corp. granted November 2, 1987.

Kingwel Securities Limited and MTC Oil & Gas Flow-Through Limited Partnership - 1986, October 16, 1987, OSCB 5954.

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IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF
GOLDEN DAY EXPLORATIONS AND COMPANY, LIMITED PARTNERSHIP
AND GOLDEN DAY MINING EXPLORATION INC.

RULING
(Subsection 73(1))

UPON the application of Golden Day Explorations and Company, Limited Partnership and Golden Day Mining Exploration Inc. (collectively the "Issuers") for a ruling pursuant to subsection 73(1) of the Securities Act, R.S.O. 1980, c. 466, as amended (the "Act") that the first trade in certain securities of Golden Day Mining Exploration Inc. issued as a consequence of the after-described transactions is not subject to sections 24 and 52 of the Act;

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON it being represented by the Issuers to the Commission that:

1. Golden Day Mining Exploration Inc. ("Golden") was incorporated on December 12, 1986 under the provisions of the Quebec Companies Act;

2. Golden Day Explorations and Company, Limited Partnership (the "Partnership") was formed on December 15, 1986 under the laws of the Province of Quebec;

3. the Issuers are reporting issuers under the Act and neither is on the list of defaulting reporting issuers maintained pursuant to subsection 71(9) of the Act;

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4. the Issuers obtained a receipt on June 2, 1987 under section 60 of the Act for a prospectus dated June 1, 1987 offering units ("Units") to subscribers, each Unit consisting of one partnership unit of the Partnership and 500 Class A Warrants and 500 Class B Warrants of Golden;

5. pursuant to the offering the Partnership has entered into Exploration Agreements with Public Exploration Companies and these companies will issue flow-through shares to the Partnership in consideration for the Partnership incurring Canadian Exploration Expense qualifying for Mineral Exploration Depletion Allowance;

6. on or about April 1, 1988, all of the assets of the Partnership, including the flow-through shares, will be transferred to Golden in exchange for Common Shares of Golden;

7. within 30 days of the asset transfer the Partnership will distribute the Common Shares of Golden to the limited partners of the Partnership and the Partnership will be wound up; and

8. at the time of the distribution of the Common Shares of Golden to the limited partners as described in paragraph 7 above Golden will not have been a reporting issuer for at least 12 months as prescribed by clause 71(5)(a) of the Act;

AND UPON the Commission being satisfied that to so rule would not be prejudicial to the public interest;

NOW THEREFORE IT IS RULED pursuant to subsection 73(1) of the Act that the first trade in Common Shares of Golden acquired by limited partners of the Partnership as a consequence of the proposed distribution of such shares to the limited partners by the Partnership is not subject to sections 24 and 52 of the Act provided that:

(i) such first trade is not a distribution as defined in subparagraph (iii) of paragraph 11 of subsection 1(1) of the Act;

(ii) no unusual effort is made to prepare the market or create a demand for such security and no extraordinary commission or consideration is paid in respect of such trade; and

(iii) at the time of the trade, Golden is a reporting issuer not in default of any requirement of the Act or the Regulation made thereunder.

DATED at Toronto this 3rd day of December, 1987.

Headnote

Limited Partnership offering units comprised of share purchase warrants and partnership interests - partnership interests automatically exchanged for further shares - s. 71(5) hold period on first trade of shares abridged subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1980, c. 466, as am., ss. 24, 52, 73(1).

CHAPTER THREE - NIL
(REASONS: DECISIONS/ORDERS/RULINGS)

CHAPTER FOUR
(CEASE TRADING ORDERS, TEMPORARY, RESCINDING, EXTENDING)

Ontario Securities Commission
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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF CALGROUP GRAPHICS CORPORATION LIMITED

TEMPORARY ORDER
(Section 123(3))

WHEREAS by Notice of Hearing dated November 30, 1987, a hearing by the Ontario Securities Commission (the "Commission") into this matter was commenced on December 7, 1987 at 11:00 o'clock in the forenoon and at that time a request for an adjournment was made by Calgroup Graphics Corporation Limited ("Calgroup");

AND WHEREAS Commission staff have requested that a Temporary Cease Trade Order pursuant to section 123(3) of the Act, that all trading in securities of Calgroup should cease forthwith until the hearing in this matter is completed;

AND WHEREAS counsel for Calgroup appeared and consented to a Temporary Cease Trade Order being made;

AND WHEREAS the Commission is satisfied that an adjournment of the hearing is required and that it is in the public interest to issue a Temporary Cease Trade Order;

IT IS ORDERED that all trading in securities of Calgroup shall cease forthwith until the hearing in this matter is completed;

AND IT IS FURTHER ORDERED that the hearing be adjourned to December 11, 1987 at 11:00 a.m.

DATED at Toronto, this 7th day of December, 1987.

Charles Salter

Paul L. Waitzer

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF COMAPLEX
RESOURCES INTERNATIONAL LTD.

O R D E R
(Section 123)

WHEREAS it has been represented to the Ontario Securities Commission (the "Commission") by the staff of the Commission that certain trades in the securities of Comaplex Resources International Ltd. ("Comaplex") appear to be in contravention of Part XIX of the Securities Act, R.S.O. 1980, Chapter 466, as amended (the "Act") and certain other sections of the Act;

AND WHEREAS in the opinion of the Commission the length of time required for a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 123(3) of the Act that all trading in securities of Comaplex shall cease forthwith for a period of fifteen days from the date hereof.

DATED at Toronto this 1 day of December, 1987.

J. M. Beck

Paul L. Walters

Ontario Securities Commission
Commission des valeurs mobilières de l'Ontario

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IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1980, CHAPTER 466, AS AMENDED

AND

IN THE MATTER OF THE STATUTORY POWERS
PROCEDURE ACT, R.S.O. 1980, CHAPTER 484

AND

IN THE MATTER OF DISCOVERY INTERNATIONAL LIMITED,
ARGON FINANCIAL CONSULTANTS INC., AND
HOLLY-MARK DISTRIBUTORS INC.

ORDER
(Section 123 of the Securities Act)
(Section 21 of the Statutory Powers Procedure Act)

WHEREAS on the 12th day of June, 1987, the Ontario Securities Commission (the "Commission") ordered pursuant to section 123 of the Securities Act, R.S.O. 1980, Chapter 466 as amended (the "Act") that all trading in securities of Discovery International Limited ("Discovery"), Argon Financial Consultants Inc. ("Argon") and Holly-Mark Distributors Inc. ("Holly-Mark") consisting of the sale of licences and the entering into of marketing agreements with respect to a Christian Bible product called "Enhancement" shall cease forthwith for a period of 15 days from the date of the order (the "Temporary Order");

AND WHEREAS by Notice of Hearing dated June 23, 1987, a Hearing by the Commission into this matter was commenced on June 26, 1987 at 9:30 o'clock in the forenoon and at the request of Discovery, Argon, and Holly-Mark was adjourned to October 5, 1987 at 10:00 o'clock in the forenoon and at the request of Discovery, Argon, and Holly-Mark was adjourned to October 26, 1987 at 10:00 o'clock in the forenoon and at the request of Discovery, Argon, and Holly-Mark was adjourned sine die to be brought on by either party on reasonable notice to the other and by notice dated Novembver 6, 1987 was brought on by Commission staff on November 19, 1987;

AND WHEREAS on the 9th day of November, 1987, the Commission ordered pursuant to section 123(3) of the Act that all trading in securities of Discovery and Argon shall cease forthwith for a period of 15 days from the date of the order and pursuant to section 124(2) of the Act that the exemptions contained in sections 34, 71, 72 and 88 of the Act shall not apply to Discovery and Argon for fifteen days from the date of the Order (collectively the "Temporary Order #2");

AND WHEREAS by a Notice of Hearing dated the 6th day of November, 1987 and returnable on November 19, 1987, Commission staff served a notice of its intention to bring on for hearing the Temporary Order and to bring on for hearing the Temporary Order #2 and to consolidate the hearing of the orders;

AND WHEREAS the Commission ordered on November 19, 1987 that the hearings concerning the Temporary Order and the Temporary Order #2 shall be consolidated and the evidence taken to date shall be taken as read in respect of the Temporary Order and the Temporary Order #2 and the matter shall proceed on the basis that there will be one hearing and further ordered that the Temporary Order and the Temporary Order #2 should be extended until December 3, 1987 and further ordered that the Hearing be adjourned peremptorily to December 3, 1987 at 10:00 a.m.

AND WHEREAS the Commission was unable to hear this matter on December 3, 1987.

IT IS ORDERED that the Temporary Order and the Temporary Order #2 shall be extended until December 8, 1987;

AND IT IS FURTHER ORDERED that the Hearing be adjourned to December 8, 1987 at 10:00 a.m.

DATED at Toronto, this ~~8th~~ 3rd day of December, 1987.

Charles Salter

J.W. Bowie

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FIRST CLASS MAIL